

# Krystal Integrated Services Limited

(Formerly Known As Krystal Integrated Services Private Limited)



## DIRECTORS' REPORT

Dear Members,

Your Company's Directors hereby present the 22<sup>nd</sup> Annual Report of the Company together with Audited Financial Statements for the Financial Year ended March 31, 2023.

### Financial Performance

Summary of the Company's financial performance for the Financial Year 2022-23 ("year under review") as compared to previous Financial Year 2021-22 ("previous year") is given below:

(Amount in Million)

Particulars	Consolidated		Standalone	
	As on March 31, 2023	As on March 31, 2022	As on March 31, 2023	As on March 31, 2022
Total Income	7,109.65	5,548.47	6,882.64	5,401.83
Profit / (Loss) before Interest, Tax and Depreciation	578.37	476.37	570.63	472.94
Finance Cost	94.92	87.78	94.77	87.75
Profit / (Loss) before Depreciation and Tax	483.45	388.59	475.87	385.19
Depreciation	46.57	42.95	43.36	42.33
Profit / (Loss) before Tax	436.88	345.65	432.50	342.85
Tax Expense (including deferred tax credit)	52.45	82.91	50.40	82.66
Net Profit / (Loss)	384.43	262.74	382.11	260.19
Other Comprehensive Income	3.23	15.05	2.51	14.80
Total Comprehensive Income	387.66	277.80	384.61	275.00
Earnings Per Equity Share (Basic) (Rs.)	33.33	22.69	33.15	22.58
Earnings Per Equity Share (Diluted) (Rs.)	33.33	22.69	33.15	22.58

### Revenue

Your Company reported a Standalone total income of INR 6,882.64 million in the year under review versus INR 5,401.83 million in the previous year.

Your Company reported a consolidated total income of INR 7,109.65 million in the year under review versus INR 5,548.47 million in the previous year.

### Operating Profit / (Loss)

Profit before Interest, Tax and Depreciation on standalone basis was at INR 570.63 million in the year under review versus a profit of INR 472.94 million in the previous year.

Profit before Interest, Tax and Depreciation on consolidated basis was at INR 578.37 million in the year under review versus a profit of INR 476.37 million in the previous year.

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## **Nature of Business / Information on the State of Affairs of the Company**

Your Company is engaged in services of integrated facilities management with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors.

Your Company provides a comprehensive range of integrated facility management service offerings across multiple sectors. Range of service offerings include soft services such as housekeeping, sanitation, landscaping

and gardening, and hard services such as mechanical, electrical and plumbing services, solid, liquid and biomedical waste management, pest control, facade cleaning and effluent treatment. Your Company also provides staffing solutions and payroll management to our customers, as well as private security and manned guarding services and catering services.

## **Change in the nature of business**

During the year under review, there was no change in the nature of business of the Company.

## **Transfer to Reserves**

During FY 2022-23, the Company has not transferred any amount to Statutory Reserves.

## **Dividend**

In order to conserve resources for future requirements, your Directors did not recommend any dividend on Equity Shares of the Company for the year ended March 31, 2023.

## **Holding company, Subsidiary companies, Joint Venture or Associate companies:**

The Company is a wholly owned subsidiary of M/s. Krystal Family Holdings Private Limited. As on March 31, 2023, the Company has 2 wholly owned subsidiaries viz. Krystal Gourmet Private Limited and Flame Facilities Private Limited and two Joint Ventures namely, Krystal Aquachem and Joint Venture of Nangia & Co LLP & Krystal Integrated Services Limited. However, Joint Venture of Nangia & Co LLP & Krystal Integrated Services Limited is yet to commence any business.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in Form AOC-I is attached to the financial statements as Annexure I to the Report.

The separate financial statements of the subsidiaries are available on the website of the Company and can be accessed at [Krystal Integrated Services Limited \(krystal-group.com\)](http://Krystal Integrated Services Limited (krystal-group.com))

## **Material changes and commitments, affecting financial position of the Company**

Material changes and commitments which have occurred during the year under review and between the financial year ended March 31, 2023 and the date of this report affecting the financial position of the Company are given herein below:

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## Order of Court

The National Company Law Tribunal Court, Mumbai Bench has passed an order dated June 20, 2022 in the matter of Scheme of Arrangement in the nature of Demerger between Krystal Integrated Services Private Limited (Demerged Company) and Volksara Techno Solutions Private Limited (Resulting Company).

## Conversion of the Company from a Private Limited Company to a Public Limited Company

Effective August 04, 2023, your Company has converted from private limited to public limited and the Company has received a fresh certificate of incorporation consequent upon conversion from private company to public company dated August 04, 2023 from the Registrar of Companies, Maharashtra, Mumbai.

## Initial Public Offering of Equity Shares of the Company

Your Company proposes to create, issue, transfer, offer and allot such number of Equity Shares such that the amount being raised pursuant to the fresh issue aggregates up to ₹ 1,750 million (the "Fresh Issue") and/or an offer for sale of Equity Shares aggregating up to 17,50,000 by certain existing shareholders of the Company (the "Selling Shareholder", and such offer for sale, the "Offer for Sale") (the Offer for Sale together with the Fresh Issue, the "Offer" or the "IPO"), at a price as may be determined by the book building process in accordance with applicable laws, including without limitation the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). The Equity Shares allotted/transferred shall rank in all respects pari passu with the existing Equity Shares of the Company including any rights in respect of dividend payable for the entire year after the date of allotment.

In this regard, your Company is in the process of filing Draft Red Herring Prospectus with Securities and Exchange Board of India and the Stock Exchanges, and subsequently will file a red herring prospectus (the "RHP") with the Registrar of Companies, Maharashtra at Mumbai ("RoC") and thereafter with SEBI, and the Stock Exchanges and file a prospectus with the RoC and thereafter with SEBI and the Stock Exchanges in respect of the Offer (the "Prospectus", and together with the DRHP and the RHP, the "Offer Documents"), in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) (collectively referred to as the "Companies Act") and other applicable laws.

The Equity Shares are proposed to be listed on the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange as determined by the Board at its absolute discretion (together, the "Stock Exchanges") and the Company will be required to enter into listing agreements with each of the Stock Exchanges.

The Company has not made and will not make an offer of the Equity Shares in the Offer to its promoters or members of the promoter group of the Company in the Offer. However, the Directors (except independent directors), the key managerial personnel or senior management personnel may apply for the Equity Shares in the various categories under the IPO in accordance with the SEBI ICDR Regulations, the Companies Act, and any other applicable laws.

No change in control of the Company or its management is intended or expected pursuant to the IPO.

## Adoption of new Accounting Policies

The Company has adopted new Accounting Policies i.e. Indian Accounting Standard (abbreviated as Ind-AS) for maintaining uniformity in accounting system.

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## Krystal Integrated Services Limited Employee Stock Option Plan, 2023

On September 08, 2023 shareholders of your Company approved and adopted "Krystal Integrated Services Limited Employee Stock Option Plan, 2023" or "Krystal ESOP Plan, 2023" or "ESOP Plan", pursuant to the applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, for the benefit of eligible employees of your Company or its holding company or any of its subsidiary company, at such price and on such terms and conditions as may be determined by the Board from time to time, SEBI Regulations and in accordance with the provisions of the Krystal ESOP Plan, 2023 or other applicable provisions of any law as may be prevailing at that time.

The Company has till date not granted any stock options under the aforesaid scheme.

## Share Capital

The Board of Directors of the Company at their meeting held on September 06, 2023 and shareholders at their meeting held on September 08, 2023, approved the increase in authorized share capital of the Company from ₹10,00,00,000 (Rupees Ten crore only) divided into 100,00,000 (One crore) equity shares of ₹10 (Ten) each to ₹ 15,00,00,000 (Rupees Fifteen crore only) divided into 1,50,00,000 (One crore Fifty lakhs) equity shares of ₹10 (Ten) each. Hence, the present Authorized Share Capital of the Company stands at ₹15,00,00,000 (Rupees Fifteen crore only).

The Board of Directors of the Company and the shareholders at their meeting held on September 26, 2023 approved the issue of 57,62,200 bonus equity shares of Rs. 10/- (Rupees Ten) each credited as fully paid-up to eligible members of the Company in the proportion of 1 (One) new fully paid-up equity share of Rs.10/- (Rupees Ten) each for every 1 (One) existing fully paid-up equity shares of Rs. 10/- (Rupees Ten) each held by them, by capitalizing a sum not exceeding Rs. 5,76,22,000/- (Rupees Five Crore Seventy-Six Lakhs Twenty-Two Thousand) from and out of the free reserves or such other accounts, as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2023.

Post allotment of 57,62,200 Bonus Equity Shares, the Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2023 stood at Rs. 11,52,44,000/- (Rupees Eleven Crore Fifty-Two Lakhs Forty-Four Thousand) comprising of 1,15,24,400 Equity Shares (One Crore Fifteen Lakhs Twenty-Four Thousand Four Hundred) having face value of Rs. 10/- each.

## Non-Convertible Debentures

During the year under review, the Company has not issued and allotted any Non-Convertible Debentures.

## Credit Rating

During the year under review, Rating Agencies reaffirmed / issued ratings to the Company, as under:

Rating Agency	Rating	Nature of Securities
CRISIL Rating Limited	BBB+	Term Loan, Working Capital and Cash Credit Facilities



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As on the date of this report, the composition of the Board of Directors of the Company is as stated below:

Sr. No.	Name	Designation
1.	Mr. Vijay Kumar Agarwal	Non-Executive, Independent Director
2.	Professor Sunder Ram Govind Raghavan Korivi	Non-Executive, Independent Director
3.	Dr. Dhanya Pattathil	Non-Executive, Independent Director
4.	Dr. Yajyoti Singh	Non-Executive, Independent Director
5.	Lt. Colonel Kaninika Thakur	Non-Executive, Independent Director
6.	Ms. Neeta Prasad Lad	Executive, Managing Director & Chairperson
7.	Mr. Shubham Prasad Lad	Executive, Whole-time Director
8.	Ms. Saily Prasad Lad	Executive, Whole-time Director
9.	Mr. Pravin Ramesh Lad	Executive, Whole-time Director
10.	Mr. Sanjay Suryakant Dighe	Executive, Whole-time Director & Chief Executive Officer

- Ms. Shalini Agrawal tendered her resignation as the Company Secretary of the Company w.e.f 14<sup>th</sup> August, 2023. The Board at its Meeting held on August 25, 2023 based on the recommendation of the Nomination, Remuneration & Compensation Committee approved the appointment of Ms. Stuti Maru, an Associate Member of the Institute of Company Secretaries of India as the Company Secretary and Compliance Officer of the Company w.e.f. August 25, 2023.
- The Board at its Meeting held on September 15, 2023 based on the recommendation of the Nomination, Remuneration and Compensation Committee approved the appointment of Mr. Sanjay Suryakant Dighe as Chief Executive Officer of the Company w.e.f. September 15, 2023.
- The Board at its Meeting held on September 15, 2023 based on the recommendation of the Audit Committee and Nomination, Remuneration and Compensation Committee approved the appointment of Mr. Barun Dey as the Chief Financial Officer of the Company with effect from September 15, 2023.

Pursuant to the provisions of sub-section (5) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2023:

Sr. No.	Name	Designation
1.	Mr. Sanjay Suryakant Dighe	Whole-time Director and Chief Executive Officer
2.	Mr. Barun Dey	Chief Financial Officer
3.	Ms. Stuti Maru	Company Secretary & Compliance Officer

Your Directors on the Board possess the requisite experience and competency.

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria and are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Act. The declarations have been taken on record by the Nomination, Remuneration and Compensation Committee.

All the Directors and Senior Management of the Company will affirm compliance with the Code of Conduct for Board Members and Senior Management Personnel of the Company annually. All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and they are not aware

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of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. The terms and conditions of appointment of Independent Directors are available on the website of the Company at [Krystal Integrated Services Limited \(krystal-group.com\)](http://Krystal Integrated Services Limited (krystal-group.com))

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs ("IICA"). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA, within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. Mr. Vijay Kumar Agarwal and Dr. Dhanya Pattathil, Independent Directors of the Company have confirmed that they are exempt from the requirement to undertake the online proficiency self-assessment test. Professor Sunder Ram Govind Raghavan Korivi, Lt. Colonel Kaninika Thakur, Dr. Yajyoti Singh, Independent Directors of the Company are required to undertake the online proficiency self-assessment test.

## Number of Meetings of the Board of Directors ("Board")

During the period under review, the Board of your Company met 19 times, details of which are given herein below:

1. 07.04.2022	2. 11.05.2022	3. 08.06.2022	4. 21.06.2022	5. 09.07.2022
6. 01.08.2022	7. 24.08.2022	8. 13.09.2022	9. 27.09.2022	10. 14.11.2022
11. 08.12.2022	12. 03.01.2023	13. 12.01.2023	14. 28.01.2023	15. 15.02.2023
16. 24.02.2023	17. 06.03.2023	18. 27.03.2023	19. 31.03.2023	

The Company is in compliance with the requirements of the Companies Act, 2013 and Secretarial Standards issued by The Institute of Company Secretaries of India. The intervening gap between the two meetings was within the limits as prescribed under the applicable provisions of the Companies Act, 2013. The details of attendance of each Director at the Board Meeting are as follows:

Name of the Director	DIN	Category	Number of Board Meetings		AGM last Attended
			Held	Attended	
Neeta Prasad Lad	01122234	Director	19	19	29.09.2022
Sally Prasad Lad	05336504	Director	19	19	29.09.2022
Shubham Prasad Lad	07557584	Director	19	19	29.09.2022
Pravin Ramesh Lad	01710743	Director	19	19	29.09.2022
Sanjay Suryakant Dighe	02042603	Director	19	19	29.09.2022

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## Committees of the Board:

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

The constitution, role, composition and functioning of the Audit Committee, Nomination, Remuneration and Compensation Committee, CSR Committee, Risk Management Committee and Stakeholder Relationship Committee are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Further, the Company has also constituted Tender Committee, Finance Committee and IPO Committee.

The Company Secretary is the Secretary of all the Committees. The Board of Directors and Committees also take decisions by resolutions passed through circulation which are noted by the Board/respective Committees of the Board at their next meetings. The Minutes of meetings of all Committees of the Board are circulated to the Board of Directors for noting. During the year under review, all recommendations received from its Committees were accepted by the Board.

## Composition of Audit Committee

The Company has constituted an Audit Committee on August 25, 2023 in terms of the requirements of the Act and Regulation 18 of the SEBI Listing Regulations. The Committee comprises of the following:

Sr. No.	Name of the Member	Designation	Status
1	Mr. Vijay Kumar Agarwal	Chairman	Non- Executive, Independent
2	Professor Sunder Ram Govind Raghavan Korivi	Member	Non- Executive, Independent
3	Mr. Sanjay Suryakant Dighe	Member	Executive, Whole-time Director

The Committee is vested with necessary powers, as per its Terms of Reference duly approved by the Board.

## Vigil mechanism / whistle blower policy for directors and employees

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The details of establishment of Vigil Mechanism/ Whistle Blower Policy are posted on the website of the Company <https://krystal-group.com/> and the weblink to the same at <https://investor-krystalgroup.com/>.

## Corporate Social Responsibility (CSR)

During the year under review, the Company has partnered with credible agencies like Mi Mumbai Abhiyan, Abhiman Pratishtha, Anthyodaya Pratishthan and Shree Malalaxini Tirupati Education Society for implementing socially responsible projects in the areas of Education as part of its initiatives under CSR. The Company has undertaken the CSR activities and complied with the provisions of Section 135 of the Companies Act, 2013 ("Act"). The CSR activities/projects undertaken by your Company are in accordance with Schedule



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VII of the Act and based on approved CSR policy and Annual Action Plan, which are available on Company's website: [KrystalIntegratedServicesLimited \(krystal-group.com\)](http://KrystalIntegratedServicesLimited.krystal-group.com)

The Company's CSR activities are guided and monitored by its CSR Committee. The CSR Policy of the Company provides a broad set of guidelines including intervention areas and continuous monitoring of the CSR activities.

The Committee was re-constituted on August 25, 2023 and the Composition of the Committee is as under:

Members	Category	Status
Ms. Neeta Prasad Lad	Chairperson	Executive, Managing Director
Dr. Yajyoti Digvijay Singh	Member	Non- Executive, Independent
Mr. Sanjay Suryakant Dighe	Member	Executive, Whole- time Director

The CSR Committee has been entrusted with the prime responsibility of implementation of the activities under the CSR policy. The Committee recommends the activities to be undertaken under the policy and amount to be spent on such CSR activities to the Board.

During the year under review, as per Section 135 of the Act, your Company was required to spend an amount of INR 7.06 Million equivalent to 2% of the 'average net profits' of the last three (3) financial years. During the year under review, your Company has spent the entire amount on CSR activities. The CSR initiatives undertaken by your Company along with other CSR related details form part of the Annual Report on CSR activities for FY 2022-23, which is annexed as Annexure -2.

## Risk Management

The Company has constituted a Risk Management Committee ("RMC") on August 25, 2023 in terms of the requirements of Regulation 21 of the SEBI Listing Regulations and also adopted a risk management policy.

The Composition of the Committee is as under:

Sr. No.	Name of the Member	Designation	Status
1	Mr. Vijay Kumar Agarwal	Chairman	Non- Executive, Independent
2	Lieutenant Colonel Kaninika Thakur	Member	Non- Executive, Independent
3	Mr. Sanjay Suryakant Dighe	Member	Executive, Whole-time Director

The Committee is vested with necessary powers, as per its Terms of Reference duly approved by the Board.

The Risk Management Committee of the Board of Directors of the Company reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposures related to specific issues and provides oversight of risk across the Company. The Risk Management process of the Company is governed by the Risk Management Policy which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework.

## Nomination and Remuneration Committee and Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

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The Company has re-constituted a Nomination, Remuneration and Compensation Committee on August 25, 2023 with the following members:

Sr. No.	Name of the Member	Designation	Status
1	Lieutenant Colonel Kaninika Thakur	Chairperson	Non- Executive, Independent
2	Dr. Yajyoti Digvijay Singh	Member	Non- Executive, Independent
3	Dr. Dhanya Pattathil	Member	Non- Executive, Independent

The Committee is vested with necessary powers, as per its Terms of Reference duly approved by the Board.

The Board of Directors has adopted a Nomination and Remuneration Policy on September 15, 2023 in terms of the provisions of sub-section (3) of Section 178 of the Act and SEBI Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The said Policy is annexed to this Report as Annexure 3 and is also available on the Company's website i.e. [Krystal Integrated Services Limited \(krystal-group.com\)](http://Krystal Integrated Services Limited (krystal-group.com))

## Stakeholders Relationship Committee

As required under the provisions of Regulation 20 of SEBI Listing Regulations, the Board of Directors of the Company on August 25, 2023 constituted the Stakeholder's Relationship Committee and the details of composition of the Committee are given herein below:

Sr. No.	Name of the Member	Designation	Status
1	Professor Sunder Ram Govind Raghavan Korivi	Chairman	Non- Executive, Independent
2	Dr. Dhanya Pattathil	Member	Non- Executive, Independent
3	Mr. Sanjay Suryakant Dighe	Member	Executive, Whole-time Director

The Committee is vested with necessary powers, as per its Terms of Reference duly approved by the Board.

## Name and designation of the compliance officer:

Ms. Stuti Maru, Company Secretary and Compliance Officer of the Company, is the Compliance Officer / Investor Relations Officer, who deals with matters pertaining to Shareholders' grievances.

## Directors' Responsibility Statement

Pursuant to the provisions of Sections 134(3)(c) and 134(5) of the Companies Act, 2013 and based on the information provided by the management, the Board of Directors of the Company, to the best of their knowledge and belief, confirm that:

- in the preparation of the annual accounts for the period commencing from April 01, 2022 to March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments

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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 period under review and of the profit and loss of the Company for that period;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Familiarisation Programme

The Company has adopted a Policy on Familiarisation Programme on September 15, 2023. The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at [Krystal Integrated Services Private Limited \(krystal-group.com\)](http://Krystal Integrated Services Private Limited (krystal-group.com))

## Board Evaluation

The Company has adopted a Board Evaluation Policy on September 15, 2023. Evaluation of performance of all Directors would be undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and the Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance of the Executive Director would be evaluated on the basis of achievement of their Key Result Area. The Board of Directors has expressed their satisfaction with the evaluation process.

## Statutory Audit & Statutory Auditors

M/s. T. R. Chadha & Co LLP, Chartered Accountants (Firm Registration No. 006711N/ N500028) were appointed as Statutory Auditors of the Company to hold office from the conclusion of 20<sup>th</sup> Annual General Meeting until the conclusion of the 24<sup>th</sup> Annual General Meeting to be held in the calendar year 2024-25, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

The Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the Financial Statements of the Company for FY 2022-23, is disclosed in the Financial Statements forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report and the same does not call for any further comments. The Notes to the Financial Statements are self-explanatory and do not call for any further comments.

In addition to the above, there have not been any frauds reported by the Auditors of the Company under Section 143(12) of the Act.

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## **Particulars of loans given, investments made, Guarantees given, or Security provided by the Company**

The loans given, investments made and guarantees given and securities provided during the year under review, are in compliance with the provisions of the Section 186 of the Act and Rules made thereunder and details thereof are given in the notes to the Standalone Financial Statements.

## **Related Party Transactions:**

During the year under review, all contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. There were no material related party transactions by the Company during the year.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable. Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties would be placed before the Audit Committee for their review on a periodic basis. Policy on Related Party Transactions is annexed as Annexure 4 to the Report.

## **Particulars of Employees**

In terms of the requirements of sub-section (12) of Section 197 of the Act read with sub-rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the disclosures pertaining to the remuneration and other details, are annexed to this Report as Annexure 5.

The statement containing names and other details of the employees as required under sub-section 12 of Section 197 of the Act read with sub-rules (2) & (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. In terms of sub-section (1) of Section 136 of the Act, the Annual Report is being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is open for inspection and any Member interested in obtaining a copy of the same may write to the Company.

## **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place. During FY 2022-23, there were no complaints received under the provisions of the POSH Act.

## **Conservation of energy, technology absorption, foreign exchange earnings and outgo**

- a) The provisions of Section 134(3)(m) of the Act and the rules made there under relating to conservation of energy and technology absorption do not apply to your Company as it is not a manufacturing Company.
- b) Foreign Exchange Earnings during the year under review was INR Nil and previous year was INR Nil and Foreign Exchange Outgo during the year under review was Nil and previous year was Nil.

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## **Details of grievances, significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in the future. Further, no penalties have been levied by any regulator during the year under review.

## **Names of companies which have become or ceased to be its Subsidiaries, Joint ventures or associate companies during the year**

During the year under review, no company became/ceased to be a Subsidiary, Joint Venture, Associate Company of the Company.

## **Details in respect of adequacy of internal financial controls with reference to the Financial Statements**

The Company has established a system of internal controls and business processes, comprising of policies and procedures, with regards to efficiency of operations, financial reporting and compliance with applicable laws and regulations etc. commensurate with its size and nature of the business. Regular checks are undertaken to ensure that systems and processes are followed effectively, and systems & procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations. Company also has a well-defined process for an on-going management reporting and periodic review of operations to ensure effective decision-making. During the year under review, proper internal financial controls were in place and the financial controls were adequate and were operating effectively.

## **Annual Return**

As required under the provisions of Sections 134(3) (a) and Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in prescribed form MGT 7 has been placed on the website of the Company at [Krystal Integrated Services Limited \(krystal-group.com\)](http://Krystal Integrated Services Limited (krystal-group.com))

## **Managing Director and Chief Financial Officer Certificate**

In terms of the SEBI Listing Regulations the certificate, as prescribed in Part B of Schedule II of the Listing Regulations, has been obtained from Managing Director & CEO and Group Chief Financial Officer, for the Financial Year 2022-23 with regard to the Financial Statements and other matters.

## **Secretarial Standards and Compliance**

During the year under review, the Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings and General Meetings.

## **Other Disclosures**

The Directors state that no disclosures or reporting is required in respect of the following items, as the same is either not applicable to the Company or relevant transactions/events have not taken place during the year under review:

# Krystal Integrated Services Limited

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- a) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- b) The Company has not issued shares (including sweat equity shares) to employees under any scheme.
- c) There was no revision in the financial statements.
- d) There has been no change in the nature of business of the Company as on the date of this report.
- e) The Managing Director of the Company did not receive any remuneration or commission from any of its subsidiaries.
- f) The Company has not obtained any registration / license / authorisation, by whatever name called from any other financial sector regulators
- g) There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.
- h) There are no proceedings, pending under the Insolvency and Bankruptcy Code, 2016 corporate insolvency resolution for the end of financial year March 31, 2023.
- i) There was no instance of one-time settlement with any Bank or Financial Institution.

## Acknowledgements / Appreciations

The Directors express their sincere gratitude to Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions, and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels.

For and on behalf of the Board of Directors

  
Neeta Prasad Lad  
Chairperson & Managing Director  
DIN: 01122234



  
Sanjay Saryakant Dighe  
CEO & Whole-time Director  
DIN: 02042603

Date: September 27, 2023

Place: Mumbai

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## Annexure 2 Annual Report on CSR Activities of the Company

### 1. Brief outline on CSR Policy of the Company:

The CSR Policy of the Company includes the activities that can be undertaken by the Company for its CSR activities, composition of CSR Committee, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities / project.

### 2. Composition of CSR Committee:

Sr. No.	Name of Director	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	Ms. Neeta Prasad Lad	Member & Chairperson	2	2
2	Dr. Yajyoti Digvijay Singh	Member	2	0
3	Mr. Sanjay Suryakant Dighe	Member	2	2

Note: CSR committee has been re-constituted on 25<sup>th</sup> August, 2023

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: <https://krystal-group.com/investor/>
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 – **INR 35,28,05,997**
  - b. Two percent of average net profit of the company as per subsection (5) of Section 135: **INR 70,56,120**
  - c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
  - d. Amount required to be set off for the financial year, if any: **Nil**
  - e. Total CSR obligation for the financial year (b+c-d): **INR 70,56,120**
6.
  - a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : **INR 92,30,000**
  - b. Amount spent in Administrative Overheads : **Nil**
  - c. Amount spent on Impact Assessment, if applicable: **Not Applicable**

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d. Total amount spent for the Financial Year ((a)+(b)+(c)): INR 92,30,000

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
92,30,000	Nil	Nil	Nil	Nil	Nil

f. Excess amount for set-off, if any:

Sr. No	Particular	Amount (in Rs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	70,56,128
(ii)	Total amount spent for the Financial Year	92,30,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	21,73,880
(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)]	21,73,880

7. Details of Unspent Corporate Social Responsibility Committee amount for the preceding three financial years -

Sl. No.	Preceding Financial Year	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 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'20	NA	Nil		NA	NA	Nil	Nil
2.	FY'21	NA	Nil		NA	NA	Nil	Nil



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3.	FY'22	NA	Nil		NA	NA	Nil	Nil
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8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

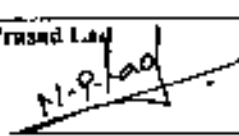

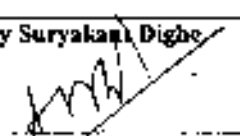

If Yes, enter the number of Capital assets created / acquired – Not Applicable

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

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					(1)	(2)	(3)
					CSR Registration Number, if applicable	Name	Registered address
<b>Not Applicable</b>							

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

Neeta Prasad Lad 		Sanjay Suryakant Dighe 	
Chairperson & Managing Director of CSR Committee		CEO & Whole-time Director	
DIN: 01122234		DIN: 02042603	

Place: Mumbai

Date: September 27, 2023

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## Annexure 3

### Krystal Integrated Services Limited

#### Nomination and Remuneration Policy

##### Introduction

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order to appoint and pay equitable remuneration to Directors, KMPs, SMPs and other employees of the Company.

##### Legal framework and Objectives

Section 178 of the Companies Act, 2013 ("Act") read with the applicable Rules thereto, provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations") read with Part D of Schedule II of SEBI Listing Regulations (together referred to as "Applicable Laws") require the Nomination and Remuneration Committee ("NRC" or the "Committee") of the Board of Directors of every listed company, among other classes of companies, to:

1. Identify persons who are qualified to become directors and who may be appointed in a KMP or SMP role in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
3. Devising a policy on diversity of board of directors;
4. Specify the manner and criteria for effective evaluation of the performance of the Board, its committees and individual directors. Basis the performance evaluation results of independent directors, decide whether to extend or continue their term of appointment or not;
5. Recommend to the Board of Directors a policy relating to the remuneration of the Directors, KMPs and other employees including SMPs;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

##### Constitution of the Nomination, Remuneration and Compensation Committee:

The Board has constituted the Nomination, Remuneration and Compensation Committee (NRC) on August 19, 2023 as per Companies Act, 2013 and SEBI Listing Regulations.

##### Definitions

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company

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“Committee” means Nomination, Remuneration and Compensation Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable SEBI Listing Regulations.

“Company” means Krystal Integrated Services Limited

“Independent Director” means a Director referred to in Section 149(6) Act and rules and SEBI Listing Regulations

“Key Managerial Personnel” or “KMP” means

1. the chief executive officer or the managing director or the manager;
2. the company secretary;
3. the whole-time director;
4. the chief financial officer
5. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
6. such other officer as may be prescribed

“Policy” means the Nomination and Remuneration Policy

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by them and includes perquisites as defined under the Income- Tax Act, 1961

“SEBI Regulations” means the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time

“Senior Management” or “Senior Management Personnel” or “SMP” means officers/personnel of the Company that includes;

- i. Key Managerial Personnel
- ii. One level below the Chief Executive Officer and Managing Director who are members of the core management and functional heads
- iii. Any other officer as determined by the NRC and the Board from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein

## General

This Policy is divided in three parts: -

- Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
- Part – B covers the appointment and removal of Directors, KMP and Senior Management; and
- Part – C covers remuneration for Directors, KMP and Senior Management

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## Part – A

### **Matters to be dealt with, perused and recommended to the Board by the Nomination, Remuneration and Compensation Committee (“NRC”)**

The following matters shall be dealt with by the Committee: -

#### **(a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive, non-executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company.

#### **(b) Directors:**

Formulate the criteria determining qualifications, positive attributes of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

#### **(c) Board Diversity**

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge, core skills, competencies, and perspective in the Board.

Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

#### **(d) Succession plans:**

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

#### **(e) Evaluation of performance:**

- i Make recommendations to the Board on appropriate performance criteria for the Directors.
- ii Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- iii Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

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## (f) Familiarization

Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities

## (g) Remuneration framework and policies

The Committee is responsible for reviewing and making recommendations to the Board on:

1. Remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any.
2. Individual and total remuneration of non-executive Directors including any additional fees payable for membership of Board committees;
3. The remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to:
  - a. attract and motivate talent to pursue the Company's long-term growth;
  - b. demonstrate a clear relationship between executive compensation and performance;
  - c. be reasonable and fair, having regard to best governance practices and legal requirements and
  - d. balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals
4. the Company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements.

## PART – B

### Policy for appointment and removal of Directors, KMP and Senior Management

#### (a) Appointment criteria and qualifications

- 1) The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- 2) A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for.
- 3) A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.

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- 4) For every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended for such role shall meet the description.
- 5) For the purpose of identifying suitable candidates, the Committee may;
  - i. use the services of an external agencies, if required
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity and
  - iii. consider the time commitments of the candidates
- 6) The Company shall appoint or continue the employment of a person as Managing Director/Whole - time Director and Non-Executive Director who has not attained the maximum age of retirement as prescribed under relevant laws.
- 7) A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- 8) The Company shall not appoint any resigning independent director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an independent director.

## (b) Term / Tenure

### 1) Managing Director / Whole-time Director

Term of appointment or re-appointment of Managing Director or CEO not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### 2) Non-Executive Director

Non-executive director's office is subject to retirement by rotation at the Annual general meeting in the manner as specified under relevant laws.

### 3) Independent Director

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in any case, not exceeding five years and shall not hold office for more than two consecutive terms. Such Independent Director shall be eligible for appointment after the expiry of such period as prescribed under the applicable law.

## (c) Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board

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with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

## (d) Retirement

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

## PART – C

### Policy relating to the remuneration for Managing Director / CEO, Non-Executive Directors, KMPs and Senior Management

#### Managing Director / CEO

- i The remuneration to be paid to the MD/CEO at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company.
- ii Annual increment/subsequent variation in remuneration to the MD/CEO shall be approved by the NRC/Board of Directors, within the overall limits approved by the shareholders of the Company.

#### NEDs:

- i NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and sub-Committees of the Board.
- ii Remuneration (including Commission) as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders of the Company, wherever required, and the same shall be paid in accordance with the applicable laws.
- iii The NEDs shall be eligible for remuneration of professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

#### KMP & SMP:

- i The remuneration to be paid to the KMP and SMP, at the time of his/her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be combination of fixed and variable pay.
- ii Annual increment /subsequent variation in remuneration to the KMP/SMP shall be approved by the NRC/Board of Directors.

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## Director and Officer Liability Insurance:

Where Insurance Policy is taken by the Company for its Directors, KMP, SMP and employees indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be recovered from such persons.

## Policy review:

(a) This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of SEBI Listing Regulations, as amended from time to time

(b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

(c) This policy shall be reviewed by the Nomination, Remuneration and Compensation Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

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## Annexure 4

### Krystal Integrated Services Limited

#### Policy on Related Party Transactions

##### 1. Introduction

The Board of Directors (the "Board") of Krystal Integrated Services Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review this policy from time to time and suggest amendments to the Board for its approval. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

##### 2. Purpose

This policy is framed in compliance with the provisions of Regulation 23 and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules 2014, as amended or re-promulgated and in force from time to time (collectively referred to as 'Applicable regulatory provisions'). The Policy is intended to ensure the proper approval and reporting of all Related Party Transactions as required by the applicable regulatory provisions.

##### 3. Definitions

"Act" means the Companies Act, 2013.

"Audit Committee" means the Audit Committee of the Company constituted under provisions of the Regulations and Companies Act, 2013 and known as the Audit Committee.

"Board" means Board of Directors of the Company.

"Key Managerial Personnel" shall have the meaning as defined in section 2(51) of the Companies Act, 2013, as per which, the term, at present, means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and (vi) such other officer as may be prescribed.

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“Material Related Party Transaction” shall have the meaning as defined in the applicable regulatory provisions. Without prejudice to the foregoing, at present, as per the explanation to Regulation 23(1) of the Regulations, this term means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Policy” means this Policy on Related Party Transactions.

“Relative” means a relative as defined under Section 2(77) the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014 and includes anyone who is related to another, if –

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)
- vi. Son's wife
- vii. Daughter
- viii. Daughter's husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

“Related Party” means a related party as defined in section 2(76) of the Act and Regulation 2(1)(zh) of the Regulations. Without prejudice to the foregoing, at present, as per the Act and the Regulations, ‘related party’ has the following meaning:

A. Section 2(76) of the Act read with Rule 3 of the Companies (Specification of Definition Details) Rules, 2014, defines the term Related Party as follows:

- (i) a director or his relative;
- (ii) key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;

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- (vi) any 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;
  - (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act.  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
  - (viii) any body corporate which is -
    - (A) a holding, subsidiary or an associate company of the Company; or
    - (B) a subsidiary of a holding company, to which it is also a subsidiary; or
    - (C) an investing company or the venturer of the Company
- Explanation – For the purpose of this clause “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.
- (ix) Director (other than an Independent Director) or key managerial personnel of the Company’s holding company (if any) or his relative;

**B. Regulation 2(1)(zb) of the Regulations defines the term Related Party as follows:**

“Related Party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards;

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b) any person or any entity, holding equity shares:
  - (i) of twenty per cent or more; or
  - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year;

shall be deemed to be a related party:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

**C. For the purpose of Regulation 2(1)(zb) of the Regulations, Indian Accounting Standard 24 defines the term Related Party as follows:**

A related party is a person or entity that is related to the entity that is preparing its financial statements in this Standard referred to as the ‘reporting entity’ as follows:

- a. A person or a close member of that person’s family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

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- b. An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the purpose of this Policy, the term 'reporting entity' shall cover the Company and its subsidiaries which prepares its financial statements as per the Indian Accounting Standards.

The term Related Party for the purpose of this Policy shall be interpreted accordingly.

"Related Party Transaction" refers to those transactions that are covered under the scope of Section 188 of the Act and Regulation 2(1)(zc) of the Regulations, except those Related Party Transactions (described below) which are:

- Excluded under the Regulations
- Exempt under the Act
- Exempt under the Regulations
- Other Exclusions under the Policy

A. Related Party Transactions that are covered under Section 188 of the Act are as follows:

- (i) sale, purchase or supply of any goods or materials;
- (ii) selling or otherwise disposing off or buying property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) related party's appointment to any office or place of profit in the company, its subsidiary or associate company;
- (vii) underwriting the subscription of any securities or derivatives thereof of the Company

B. In terms of Regulation 2(1)(zc) of the Regulations, a Related Party Transaction means a transaction involving a transfer of resources, services or obligations between:

# Krystal Integrated Services Limited

(Formerly Known As Krystal Integrated Services Private Limited)



- (i) A listed entity (i.e. the Company) or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) The Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged.

The term 'transaction' with a related party includes a single transaction or a group of transactions in a contract.

## "Related Party Transactions which are Excluded/Exempt"

- A. Exclusions under the Regulations (i.e. transactions that shall not be treated as Related Party Transactions):
  - a. the issue of specified securities on a preferential basis under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b. Following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
    - payment of dividend;
    - subdivision or consolidation of securities;
    - issuance of securities by way of a rights issue or a bonus issue; and
    - buy-back of securities.
  - c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same as per the Regulations.
- B. Exempt under the Act (i.e. those Related Party Transactions which fulfil the following two criteria and which are exempt from the requirements of Board and Shareholder approvals):
  - a. Such transaction is undertaken in the ordinary course of business; and
  - b. Such transaction is undertaken on an arm's length basis (i.e. the transaction is conducted between the related parties as if they were unrelated, so that there is no conflict of interest);
- C. Exempt under the Regulations (i.e. those Related Party Transactions which are exempt from the requirements of prior Audit Committee and Shareholder approvals):
  - a. Transactions between the Company and its wholly-owned subsidiary, whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval;
  - b. Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
  - c. Transactions between two Government Companies (not applicable to the Company).

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"Ordinary course of business" includes those activities carried out in the normal course of business practice, or which have been undertaken historically or frequently as commercial practice or activities related to the business or come within the ambit of business as envisaged in the Memorandum of Association, as amended from time to time, of the Company and its subsidiaries.

"Material Modification" means modification to a Related Party Transaction which would change the nature of the transaction and in case monetary thresholds are applicable, which has the effect of change in the value involved, by 25% of the originally approved Related Party Transaction.

Words in this policy which are not included in the Definition Clause shall have the same meaning as defined in the applicable regulatory provisions. Also, in case of a conflict between the terms defined hereinabove and the definition thereof in the applicable regulatory provisions, the definitions in the applicable regulatory provisions shall prevail.

## 4. Policy

### 4.1 Disclosure by Directors and Key Managerial Personnel of interests or potential interests in any Related Party Transaction

Each Director and Key Managerial Personnel shall disclose to the Audit Committee, any interest that he/she or his/her Relative or any entity in which he/she may be concerned or interested, may have in a transaction or proposed transaction by the Company and its subsidiaries, wherever applicable, that is or is likely to be a Related Party Transaction.

### 4.2 Review and Approval of Related Party Transactions

This Policy sets out the requisite authorizations for Related Party Transactions in line with applicable regulatory provisions and the provisions for review thereof.

In line with applicable regulatory provisions, the approvals from the below governing bodies are required prior to undertaking the Related Party Transaction:

Audit Committee	Board	Shareholders
<ul style="list-style-type: none"><li>➤ All RPT undertaken by the Company;</li><li>➤ RPT undertaken by a subsidiary, where the Company is not a party if the value of RPT is:<ul style="list-style-type: none"><li>&gt; 10% of consolidated turnover as per last audited financial statements of the Company;</li><li>&gt; 10% of standalone turnover as per last audited financial statements of the subsidiary [w.e.f. April 1, 2023]</li></ul></li></ul>	<ul style="list-style-type: none"><li>➤ Specified RPT w/s 188 of the Act which are not in ordinary course of business or not at arm's length;</li><li>➤ RPT requiring Shareholders' approval;</li></ul>	<ul style="list-style-type: none"><li>➤ All material RPTs</li><li>➤ RPT not in ordinary course of business or not at arm's length basis and crossing threshold limits as prescribed w/s 188 of the Act and the Rules thereunder.</li><li>➤ RPT for brand usage or royalty if value exceeds 5% of annual consolidated turnover as per last audited financial statements of the Company;</li></ul>

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➤ Subsequent Modifications to the above RPT;	Material	➤ Subsequent Modifications to RPT	Material
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1. Only members of the Audit Committee who are Independent Directors shall approve RPT;
2. No related party shall vote to approve relevant shareholders' resolutions irrespective of whether the entity is a related party to the particular transaction or not;
3. Audit Committee shall annually review/approve all the RPT's including Related Party Transactions exempt under the Act and Related Party Transactions exempt under the Regulations.

#### 4.3 Criteria for approving Related Party Transactions

- (i) The Audit Committee (and where applicable, the Board) shall consider, inter alia, the following criteria, while approving Related Party Transactions:
  - a. Whether the Transaction covered by the Related Party Transaction is in the ordinary course of business of the Company/ subsidiary and/or is required for the business of the Company/ subsidiary or is otherwise beneficial to the Company/ subsidiary;
  - b. Whether the Related Party Transaction is on an arm's length basis. For determining arm's length basis, criteria that the Audit Committee / Board may deem fit shall be considered.
  - c. Whether the Related Party Transaction is reasonable and in the interest of the Company/ subsidiary
- (ii) Only those members of the Audit Committee who are independent directors shall approve all Related Party Transactions.

#### 4.4 Omnibus Approval of Related Party Transactions by Audit Committee

In accordance with the enabling provisions of Regulation 23(3) of the Regulations, the Audit Committee may grant omnibus approval to Related Party Transactions, which are proposed to be entered into by the Company or any of its subsidiaries (in cases where applicable), subject to compliance with the conditions specified therein, which are as follows:

- a) The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company/subsidiary;
- c) Such omnibus approval shall specify the following:
  - i. the names of the Related Party;
  - ii. the nature of the transaction, period of transaction and the maximum amount for which the transaction can be entered into;
  - iii. the indicative base price/current contracted price and the formula for variation in the price if any; and
  - iv. such other conditions as the Audit Committee may deem fit;

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Provided however that where the need for the Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction and subject to such overall limit as may be approved by the Audit Committee from time to time;

- d) The Audit Committee shall review, at least on a quarterly basis, the details of the Related Party Transaction entered into pursuant to each of the omnibus approval so given;
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. For the purpose of this condition, reference to 'year' shall be to the financial year of the Company and the validity of such omnibus approval granted during any financial year shall be up to the end of that financial year or up to the date of the fresh approval, if any, granted by the Audit Committee in the immediately following financial year, which shall not be later than May 31, whichever is later;

Proviso to Section 177(4) of the Companies Act, 2013 also provides for omnibus approval for proposed related party transactions.

## 5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, revision or termination of the Related Party Transaction.

The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action it deems appropriate. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

## 6. Disclosures

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under Applicable regulatory provisions. This Policy shall be uploaded on the website of the Company at <https://krystal-group.com> and a web link thereto shall be provided in the section on corporate governance in the Annual Report.

## 7. Review of the Policy

The Board shall review this policy at least once in every three years on the basis of recommendations made by the Audit Committee.

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## Annexure 5

### Krystal Integrated Services Limited

**Details pertaining to employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Particulars	Details	
1.	The ratio of the remuneration of each Director to the median employee's remuneration for the financial year 2022-23	Ms. Neeta Prasad Lad	62.38
		Mr. Sanjay Suryakant Dighe	30.27
		Mr. Pravin Ramesh Lad	23.49
		Mr. Shubham Prasad Lad	12.28
		Ms. Saily Prasad Lad	4.14
		Ms. Shalini Agarwal	0.88
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23	Ms. Neeta Prasad Lad	25.00%
		Mr. Sanjay Suryakant Dighe	22.44%
		Mr. Pravin Ramesh Lad	26.56%
		Mr. Shubham Prasad Lad	160.00%
		Ms. Saily Prasad Lad	25.10%
		Ms. Shalini Agarwal	9.27%
3.	The percentage increase in the median remuneration of employees in the financial year 2022-23	13%	
4.	The number of permanent employees on the roll of company as on March 31, 2023	299	
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in the salary of the employees during the Financial Year 2022-23 was 12% to 13% as against 22% in the salary of Managerial Personnel as defined under the Act. The increment given to each employee is based on employees experience, performance, potential and contribution towards company's growth over a period of time and also benchmarked against industry standards.	
6.	Affirmation that the remuneration is as per the remuneration policy of the company	We hereby confirm that the remuneration is as per the remuneration policy adopted by the Company.	

For and on behalf of the Board of Directors

*N. Prasad*

Neeta Prasad Lad  
Chairperson & Managing Director  
DIN: 01122234



*Sanjay Suryakant Dighe*  
Sanjay Suryakant Dighe  
CEO & Whole-time Director  
DIN: 02042603



Place: Mumbai

Date: September 27, 2023



**INDEPENDENT AUDITOR'S REPORT**

To,  
**The Members of Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)**

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

**Opinion**

We have audited the accompanying financial statements of **Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)** ("the Company"), which comprise Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of Standalone Financial Statements 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 Standalone 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 (ICAI) read together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.





In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The above information is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (1) 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) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies(Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statement.
3. 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:
- a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 45 to the Standalone Financial Statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) 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 (Refer Note 14 to the Standalone Financial Statements);  
  
(ii) 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

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (d) above, contain any material misstatement.

- e. During the year the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility is not applicable.
4. With respect to the matter to be included in the Auditor's Report under section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations give to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Registration No. 006711N/N500028

Alka Hinge  
(Partner)  
Membership No. 104574  
UDIN: 23104574BGWFPI6379



Date: September 26, 2023  
Place: Mumbai



**ANNEXURE-A**

**Annexure to the Independent Auditors' Report of even date to the members of the Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ("the Company") on the Standalone Financial Statements for the year ended March 31, 2023**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

**(i) Property, Plant and Equipment**

(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular program, of physical verification of its fixed assets by which all fixed assets are verified in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Company has maintained proper record of immovable properties as appears from the books of accounts. In our opinion and according to the information and explanations given to us by the management and on the basis of an examination of the records of the Company, the title deeds of the immovable properties as disclosed under in the Fixed assets register in Note-3 of the financial statements are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**(ii) Inventories**

a) We are of the opinion that the procedure of physical verification of inventory and frequency of such verification is reasonable and adequate in relation to the size of the company and the nature of its business. Further, No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

b) The Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, during the year, from banks on the basis of security of current assets. The quarterly returns and statements comprising stock and creditors statements, book debt statement filed by the Company with such banks are having following differences with the books of accounts, of the respective quarters: - Also refer Note No. 23 of standalone financials.

Rs. In  
Million

	Particulars	Amounts
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Names of Banks	Quarter Ended		Disclosed as per Statement	As per Books of Accounts	Difference
MDCB Bank State Bank of India Union Bank of India	Q1 - 30th June 2022	Inventory	2.79	2.79	-
		Trade Payable	281.96	265.49	16.47
		Trade Receivable	2,549.46	2,514.67	34.79
MDCB Bank State Bank of India Union Bank of India	Q2 - 30th Sept 2022	Inventory	3.89	3.89	-
		Trade Payable	202.18	199.57	2.61
		Trade Receivable	1,964.00	1,961.51	2.49
Union Bank of India	Q3 - 31st Dec 2022	Inventory	3.27	3.27	-
		Trade Payable	185.16	203.70	(18.54)
		Trade Receivable	2,024.20	2,022.88	1.32
Union Bank of India	Q4 - 31st Mar 2023	Inventory	4.95	4.95	-
		Trade Payable	237.22	129.34	107.87
		Trade Receivable	1,731.32	1,621.28	110.04

**(iii) Loans, Investments, Guarantees, Securities and Advance in Nature of Loan**

(a) During the year the company has provided loans, investments and guarantees to companies as follows:

(Rs. millions)

Particulars	Loans
<b>Aggregate amount granted/ provided during the year</b>	326.15
<b>Particulars</b>	<b>Loans</b>
I Subsidiaries	283.55
II Joint Ventures	
III Others	42.60
<b>Balance outstanding as at balance sheet date in respect of above cases</b>	
I Subsidiaries	233.57
II Joint Ventures	
III Others	42.60

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.







(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted loans / advances in the nature of loans repayable on demand or without specifying any terms or period of repayment during the year to its subsidiaries details of which has been provided in the table below:

Particulars	(Rs. millions)		
	All Parties	Promoter	Related Parties
Aggregate amount of Loans / Advances in nature of Loans			
- Repayable on Demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	283.55	-	283.55
<b>Total (A+B)</b>	<b>283.55</b>	<b>-</b>	<b>283.55</b>
Percentage of Loans / Advances in nature of Loans to the total Loans	87%		87%

(g) As confirmed to us, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

**(iv) Compliance of Sec. 185 & 186**

In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act, in respect of loans granted and investments made.

**(v) Public Deposit**

In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits under Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, para 3(v) of the Order is not applicable to the Company.

**(vi) Cost Records**

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.

**(vii) Statutory Dues**

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed





statutory dues including Provident Fund, Employees State insurance, income-tax, Goods and Service tax, cess and Professional Tax and other statutory dues, as applicable, with the appropriate authorities *except delays in certain cases*. There are no dues payable outstanding as on 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable *except*.

Sr No	Statutory Liability	Amounts (Rs In Millions)	As On date
1	Provident fund	5.11	As on 31 <sup>st</sup> March 2023
2	ESIC	4.11	As on 31 <sup>st</sup> March 2023
3	Professional Tax	0.17	As on 31 <sup>st</sup> March 2023
4	MLWF	0.19	As on 31 <sup>st</sup> March 2023

The company is following up with labors to update KYC for payment of pending dues.

b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Service tax, Duty of customs, Goods and service tax, duty of excise and value added tax as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Assessment Year	Amount (Rs. In Million)	Forum where dispute is pending	Status
The Income Tax Act, 1961	2017-18	38.62	ITAT	Order awaited from ITAT
The Income Tax Act, 1961	2018-19	20.95	ITAT	Order awaited from ITAT
The Income Tax Act, 1961	2012-13	59.79	High Court	Order awaiting disposal at High Court
The Income Tax Act, 1961	2013-14	35.17	High Court	Order awaiting disposal at High Court
The Income Tax Act, 1961	2014-15	48.61	High Court	Order awaiting disposal at High Court
Provident Fund	2014-15	63.94	Tribunal Court	Appeal
Provident Fund	2015-16	55.68	Tribunal Court	Appeal
Provident Fund	2022-23	29.17	Tribunal Court	Appeal





ESIC	2020-21	2.75	High Court	Appeal
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**(viii) Unrecorded Income**

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the provision of paragraph 3(viii) of the Order is not applicable to the Company.

**(ix) Application and repayment of Loans and Borrowing**

(a) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of any loans or borrowings from Financial Institutions or banks.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

**(x) Application of funds raised through public offer**

(a) According to the information and explanations given to us, the Company did not raise any money by way of Public issues / Debentures issue.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

**(xi) Fraud**

(a) As explained to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) As explained to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As explained to us, there is no whistle blower complaints received during the year.

**(xii) Nidhi company**





According to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, para 3(xii) of the Order is not applicable to the Company.

**(xiii) Related party Transaction**

According to the information and explanations given to us, all transactions with the related parties are in compliance with provisions of Section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards. (Refer note 37)

**(xiv) Internal Audit**

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

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

**(xv) Non-Cash Transaction with Directors**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable to the Company.

**(xvi) Registration U/S 45-IA of RBI Act**

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

(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) Cash Losses:**

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

**(xviii) Auditor's Resignation**

There has been no resignation of the statutory auditors of the Company during the year.

**(xix) Material Uncertainty in Payment of Liabilities:**

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not





capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**(xx) Corporate Social responsibility:**

(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) In respect of ongoing projects, there was no unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

As there are no ongoing projects to which the Company has to transfer the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 30 days from the end of the financial year has not elapsed till the date of our report. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Registration No. 006711N/N500028

Alka Hinge  
(Partner)  
Membership No. 104574  
UDIN: 23104574BGWFP16379



Date: September 26, 2023  
Place: Mumbai



**ANNEXURE-B**

**THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KRYSTAL INTEGRATED SERVICES LIMITED (FORMERLY KRYSTAL INTEGRATED SERVICES PRIVATE LIMITED)**

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**Opinion**

We have audited the internal financial controls with reference to Standalone Financial Statements of Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ("the Company") as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on, the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI')

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. 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 with reference to Standalone Financial Statements based on our audit.

We conducted our audit in accordance with 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 ICAI. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating





effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 Standalone 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 with reference to Standalone Financial Statements.

#### **Meaning of Internal Financial Controls with reference to Standalone financial statements**

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Registration No. 006711N/N500028

Alka Hinge  
(Partner)  
Membership No. 104574  
UDIN: 23104574BGWEP16379



Date: September 26, 2023  
Place: Mumbai

Krytal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)

(All figures are in Million Rupees unless otherwise stated)

Standalone Balance Sheet as at 31st March 2023

Particulars	Note	As on	As at	As at
		31st March 2023	31st March 2022	1st April 2021
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	3(a)	756.24	81.24	95.34
Capital work-in-progress	3(b)	-	500.00	600.00
Intangible intangible assets	3(c)	15.19	14.41	20.00
Intangible assets	4	0.00	1.15	1.45
<b>Financial Assets</b>				
(a) Investments	5	43.04	26.25	27.10
(b) Other financial assets	6	352.40	212.06	57.31
Deferred tax assets (net)	7	10.21	51.38	75.49
Income tax assets (net)	8	57.50	65.10	48.41
Other non-current assets	9	-	85.57	-
<b>Total Non-Current Assets</b>		<b>1,145.11</b>	<b>1,196.20</b>	<b>937.60</b>
<b>Current Assets</b>				
Inventory	10	0.95	58.41	22.24
<b>Financial Assets</b>				
(a) Trade receivables	11	1,452.24	2,560.53	1,976.51
(b) Cash and cash equivalents	12	88.29	1.17	2.50
(c) Bank balances other than cash and cash equivalents above	13	57.70	122.40	112.37
(d) Loans	14	270.17	13.56	5.76
(e) Other financial assets	15	50.30	17.87	45.78
Income tax assets (net)	16	12.60	60.58	31.83
Other current assets	17	47.93	70.09	81.25
<b>Total Current Assets</b>		<b>2,028.35</b>	<b>2,820.61</b>	<b>3,181.51</b>
<b>Total Assets</b>		<b>3,173.46</b>	<b>3,996.71</b>	<b>3,323.33</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	18	57.62	57.62	57.55
Other equity	19	1,546.52	1,554.08	1,271.27
<b>Total Equity</b>		<b>1,604.14</b>	<b>1,611.70</b>	<b>1,328.82</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
(a) Borrowings	20	156.91	285.04	289.00
(b) Lease liabilities	21	10.23	6.37	15.09
Provisions	22	1.41	1.80	1.60
<b>Total Non-Current Liabilities</b>		<b>178.55</b>	<b>293.21</b>	<b>305.69</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	23	252.15	447.22	387.68
(b) Lease liabilities	24	6.80	9.71	5.43
(c) Trade payables				
(i) Total outstanding dues of creditors and small enterprises	24	0.55	2.16	4.57
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	158.95	477.74	377.74
(d) Other financial liabilities	25	140.01	145.77	515.56
Other current liabilities	26	443.45	425.06	779.25
Provisions	27	27.27	11.72	47.11
<b>Total current liabilities</b>		<b>1,840.22</b>	<b>2,054.42</b>	<b>2,022.60</b>
<b>Total Liabilities</b>		<b>1,749.31</b>	<b>2,348.51</b>	<b>2,354.49</b>
<b>Total equity and liabilities</b>		<b>3,353.45</b>	<b>3,960.21</b>	<b>3,323.33</b>

Signatures accompanying entries and notes to accounts

1-54

The accompanying notes are an integral part of the Standalone Financial Statements

As per our attached report of even date

T R Chhabra & Co LLP

Chartered Accountants

Firm Registration Number: 0067130 / MCA21000203

Alka Kinge

Partner

Membership No. 101514

Place: Mumbai

Date:

26/3/2023



For and on Behalf of Board of Directors of  
Krytal Integrated Services Private Limited

H. P. Bhat  
Nehal Jain  
Managing Director  
(DIN-01122271)

Bharu Day  
Chief Financial Officer

Place: Mumbai  
Date:

Shrey Chhabra  
Whole Time Member and CEO  
(DIN-02041062)

Shruti K. Prasad  
SGLS Member  
Company Secretary and Compliance  
Officer  
Membership No. 407257





Krysal Integrated Services Limited (Formerly Krysal Integrated Services Private Limited)  
 (All amounts are in ₹ in Millions unless otherwise stated)  
 Standalone Statement of Profit and Loss for the year ended 31st March 2023

Particulars	Note	For the year ended	
		31st March 2023	31st March 2022
<b>Income</b>			
Revenue from operations	28	6,851.43	5,382.41
Other income	29	27.35	19.81
<b>Total Income</b>		<b>6,878.78</b>	<b>5,402.22</b>
<b>Expenses</b>			
Cost of material and other and spare consumed	30	269.34	216.85
Employee benefit expense	31	5,783.24	4,436.66
Finance costs	32	94.77	87.25
Depreciation and amortisation expense	33	43.26	42.33
Other expenses	34	311.85	178.74
<b>Total Expenses</b>		<b>6,436.56</b>	<b>5,132.32</b>
<b>Profit / (loss) before exceptional items and tax from continuing operations</b>		<b>442.22</b>	<b>269.90</b>
Exceptional items			
<b>Profit / (loss) before tax from continuing operations</b>		<b>442.22</b>	<b>269.90</b>
<b>Tax expense:</b>			
Current tax		20.20	44.03
Deferred tax		15.83	33.43
<b>Total tax expense</b>		<b>36.03</b>	<b>77.46</b>
<b>Profit for the year from continuing operations after taxes</b>		<b>406.19</b>	<b>192.44</b>
<b>Profit from discontinued operations before taxes</b>		<b>46.42</b>	<b>79.36</b>
Income tax expense of discontinued operations			21.20
<b>Profit from discontinued operation (after taxes)</b>		<b>46.42</b>	<b>58.16</b>
<b>Profit / (loss) for the period</b>		<b>452.61</b>	<b>250.60</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		3.54	20.68
(ii) Deferred tax relating to items that will not be reclassified to profit or loss		(2.05)	(6.26)
<b>Other Comprehensive Income to be transferred to Other Equity for the year</b>		<b>1.49</b>	<b>14.42</b>
<b>Total Comprehensive Income for the year</b>		<b>454.10</b>	<b>265.02</b>
<b>Earnings per equity share (nominal value ₹ 10/- per share)</b>	35		
Basic		32.11	22.53
Diluted		31.12	22.58

Significant accounting policies and notes to accounts

1-53

The accompanying notes are an integral part of the Standalone Financial Statements

As per our amended report of even date  
 T.R. Chaudhary & Co LLP  
 Chartered Accountants  
 Firm Registration Number: 006711N / NE00028

*T.R. Chaudhary*

Ashu Hinge  
 Partner  
 Membership No: 126574  
 Place: Mumbai  
 Date: 26/03/2023



For and on behalf of Board of Directors of  
 Krysal Integrated Services Private Limited

*M. S. Kulkarni*  
 Managing Director  
 (CIN: M-01-17-2234)

*Bharat Day*  
 Chief Financial Officer

Place: Mumbai  
 Date:

*Sanjay Dhole*

Sanjay Dhole  
 Whole Time Director and CEO  
 (CIN: M-02042603)

*Gitika Kulkarni*  
 Chief Manager  
 Company Secretary and Compliance Officer

Membership No: AN1237



Kristal Integrated Services Ltd (Formerly Kristal Integrated Services Private Limited)  
 (All amounts are in INR unless otherwise stated)  
 Statement of changes in Equity for the year ended 31st March 2023

(A) Equity share capital (issued and subscribed)

Particulars	Amounts
Balance as at 31st April 2021	57.82
Change in eq. by share capital	
Balance as at 31st March 2022	57.82
Change in eq. by share capital	
Balance as at 31st March 2023	57.82

(B) Other equity

Particulars	Reserve and Surplus		Other Comprehensive Income Reversal/expense of the net defined benefit liability/asset	Other Equity attributable to Equity
	Securities Premium	Retained earnings		
Balance as at 31st April, 2021	8.00	1,357.74	5.47	1,371.21
Adjustments related to prior period AS		(52.13)		(52.13)
Balance as at 31st April, 2021	8.00	1,305.61	5.47	1,279.07
Profit for the year ended 31st March 2022		250.21		250.21
Other comprehensive income for the year			16.80	16.80
Balance as at 31st March 2022	8.00	1,555.81	22.27	1,586.08
Profit for the year ended 31st March 2023		312.00		312.00
Other comprehensive income for the year			2.53	2.53
Less: Reserve transferred pursuant to scheme of arrangement (Refer Note-47)		(592.17)		(592.17)
Balance as at 31st March 2023	8.00	1,515.75	22.77	1,546.52

The accompanying notes are an integral part of the Standalone Financial Statements

As per my statement of account of cash audit  
 TR Chopra & Co LLP  
 Chartered Accountants  
 Firm Registration number : 2067114 / M000173

*Arshdeep*

Akshay  
 Partner  
 Membership No - 104574  
 Place : Mumbai  
 Date : 26/3/2023



For and on behalf of Board of Director of  
 Kristal Integrated Services Private Limited

*H.R. Rao*  
 H.R. Rao  
 Managing Director  
 DIN-01222691

*Abhinav*  
 Abhinav  
 Chief Financial Officer

Place : Mumbai  
 Date :

*Shubh*

Shubh Dixit  
 Whole Time Director and CEO  
 DIN-0082502

*Shubh*  
 Shubh  
 Company Secretaries and Compliance Officer

Membership No. : 246287



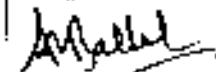
**Krysal Integrated Services Limited (Formerly Krysal Integrated Services Private Limited)**  
 (All Amounts are ₹ In Millions unless otherwise stated)  
**Standalone Statement of Cash Flows**

Particulars	For the year ended	
	31st March 2023	31st March 2022
<b>Cash flows from operating activities</b>		
Profit before tax from Continuing Operation	586.01	256.52
Profit before tax from Discontinuing Operation	46.02	73.36
<b>Net profit before tax</b>	<b>432.45</b>	<b>342.88</b>
Depreciation and amortisation	43.35	42.33
Finance costs	51.77	87.75
Interest income	(22.56)	(15.16)
Balance written off	-	2.65
Allowance for expected credit loss	2.45	3.11
Balance write back	(4.76)	(4.78)
(Profit) / loss on sale of Assets	-	(0.32)
<b>Operating profit before change in working capital</b>	<b>546.44</b>	<b>458.76</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(11.16)	(36.17)
Trade receivables, loans, other financial assets and other assets	260.53	(150.06)
Financial and other asset	23.01	(117.20)
Trade payables, other financial liabilities, other liabilities and provisions	(99.25)	308.60
<b>Changes in working capital</b>	<b>273.13</b>	<b>(204.65)</b>
<b>Less: Tax paid</b>	<b>(17.66)</b>	<b>(92.00)</b>
<b>Cash flows from operating activities</b>	<b>801.61</b>	<b>134.31</b>
<b>Cash flows from investing activities</b>		
(Purchase) / sales of property, plant and equipment	(127.09)	(21.24)
Bank deposits (having original maturity of more than 3 years) (net)	(65.84)	(85.83)
Loan (given) / repaid - related parties and others (net)	(258.61)	(8.80)
(Purchase) / Sales of investment	(10.10)	(2.84)
Dividend received	77.56	15.16
<b>Cash flows from investing activities</b>	<b>(433.08)</b>	<b>(104.55)</b>
<b>Cash flows from financing activities</b>		
Proceeds from/ repayments of long-term borrowings	(45.12)	18.95
Proceeds from/ repayments of short-term borrowings	(153.07)	52.54
Payment of lease liabilities	17.61	(17.57)
Interest payment	(97.84)	(35.37)
<b>Cash flows from financing activities</b>	<b>(278.42)</b>	<b>(30.45)</b>
<b>Net changes in cash and cash equivalents</b>	<b>87.11</b>	<b>(60.89)</b>
Cash and cash equivalents as at the beginning of the year (refer note 12)	1.17	2.96
<b>Cash and cash equivalents as at the end of the year</b>	<b>88.28</b>	<b>1.17</b>
<b>Components of cash and cash equivalents (refer note 12)</b>		
Cash on hand	1.08	1.01
In current accounts with Banks	87.20	0.17
<b>Cash and cash equivalents as per standalone statement of cash flows</b>	<b>88.28</b>	<b>1.17</b>

**Note:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on "Statement of Cash Flows".

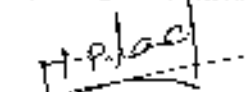
As per our attached report of even date  
 T.R. Chadha & Co LLP  
 Chartered Accountants  
 Firm Registration Number: 006134 / NS30028



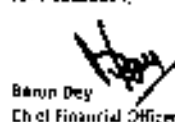
Akshay Klinge  
 Partner  
 Membership No. 13474  
 Place: Mumbai  
 Date:



For and on Behalf of Board of Directors of  
 Krysal Integrated Services Private Limited



Neeta Lad  
 Managing Director  
 (DIN-01122254)

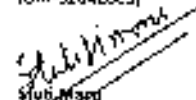


Banu Dey  
 Ch. of Financial Officer

Place: Mumbai  
 Date:



Sanjay Dighe  
 Whole Time Director and CEO  
 (DIN-02642603)



Company Secretary and Compliance Officer  
 Membership No. MS257



**Annexure 2: Payables, Prepaid expenses and Capital work-in-progress**

Account	CRYSTAL				INVESTMENT MANAGEMENT SERVICES				TOTAL	
	Actual	Adjusted	Revised	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Outstanding as at	as at	as at	as at	as at	as at	as at	as at	as at	as at
Trade Payables	144	14	-	144	144	144	144	144	144	144
Payable to bank	113.85	113.85	113.85	113.85	113.85	113.85	113.85	113.85	113.85	113.85
Payable to vendors	18.28	18.28	18.28	18.28	18.28	18.28	18.28	18.28	18.28	18.28
Provision for doubtful debts	12.07	12.07	12.07	12.07	12.07	12.07	12.07	12.07	12.07	12.07
Trade Payables in progress (with interest)	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Total	918.64	768.24	734.22	918.64	918.64	918.64	918.64	918.64	918.64	918.64

Account	CRYSTAL				INVESTMENT MANAGEMENT SERVICES				TOTAL	
	Actual	Adjusted	Revised	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Outstanding as at	as at	as at	as at	as at	as at	as at	as at	as at	as at
Trade Payables	104.71	104.71	104.71	104.71	104.71	104.71	104.71	104.71	104.71	104.71
Payable to bank	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90
Payable to vendors	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48
Provision for doubtful debts	18.88	18.88	18.88	18.88	18.88	18.88	18.88	18.88	18.88	18.88
Trade Payables in progress (with interest)	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Total	685.97	685.97	685.97	685.97	685.97	685.97	685.97	685.97	685.97	685.97

Note:  
 1. Figures are based on the latest audited financial statements of the Company for the year ended 31st March 2022.  
 2. The figures of trade payables are based on the latest audited financial statements of the Company for the year ended 31st March 2022.  
 3. The figures of trade payables are based on the latest audited financial statements of the Company for the year ended 31st March 2022.

**Capital work-in-progress (CWIP)**

Particulars	As at 31st March 2022			
	Actual	Adjusted	Revised	Total
Project in progress	100	100	100	100
Project completed	-	-	-	-
Project under construction	-	-	-	-

Particulars	As at 31st March 2022			
	Actual	Adjusted	Revised	Total
Project in progress	60000	60000	60000	60000
Project completed	-	-	-	-
Project under construction	-	-	-	-

Note: The figures are based on the latest audited financial statements of the Company for the year ended 31st March 2022.

Particulars	As at 31st March 2022			
	Actual	Adjusted	Revised	Total
Project in progress	100	100	100	100
Project completed	-	-	-	-
Project under construction	-	-	-	-

Particulars	As at 31st March 2022			
	Actual	Adjusted	Revised	Total
Project in progress	10000	10000	10000	10000
Project completed	-	-	-	-
Project under construction	-	-	-	-

Description	As at 31st March 2022	
	Actual	Total
Capital work-in-progress (CWIP)	144	144
Trade Payables	113.85	113.85
Payable to vendors	18.28	18.28
Provision for doubtful debts	12.07	12.07
Trade Payables in progress (with interest)	600.00	600.00
Total	918.64	918.64

Description	As at 31st March 2022	
	Actual	Total
Capital work-in-progress (CWIP)	100	100
Trade Payables	18.90	18.90
Payable to vendors	12.48	12.48
Provision for doubtful debts	18.88	18.88
Trade Payables in progress (with interest)	600.00	600.00
Total	685.97	685.97



**Significant Accounting Policies and Notes to Accounts**  
**Company Background**

Krystal Integrated Services Limited was incorporated under the provisions of the Companies Act, 1956 on 11 December 2008. It is a private limited company with 10000 professionally trained manpower serving to the diverse clientele which includes government companies, national and multi-national companies. The company is engaged in the business of Providing Landless Management Services, Security Agency Services, Housekeeping Services.

Members of the Board, through a resolution dated June 29, 2022 (Order) which became effective from 1st July 2022 has approved the Scheme of Arrangement (the Scheme) between KRYSTAL INTEGRATED SERVICES PRIVATE LIMITED ("KISPLI"), "Joint" or "Demerged Company" and KRISTAL INTEGRATED SOLUTIONS PRIVATE LIMITED ("KRISPLI") ("Resolving Company"/"The Company") and their respective shareholders and creditors. The scheme has been approved by Board of Directors of both the Companies on March 30, 2022 for Demergence of KRISPLI and of the Foreign Company situated at 194/117, Shivaji Park, Co. Op. Hsg. Soc., Durgam Chawki Road, near 5th Cross, Bangalore-560075 (Collectively referred to as "Demerged Undertakings") from Demerged Company and Resolving Company with effect from specified date. The effective date of demergence was April 1, 2022 with regard to Share, Buy Back and providing Equity, Intellectual, Training and Cumulative services. The assets and liabilities related to the business have been placed in Assets and Liabilities and the profit/loss related to the business is disclosed as asset/liability in the balance sheet of the demerged company.

**2. Significant Accounting Policies:**

This note provides a list of the significant accounting policies adopted in the preparation of these statements. All AS financial statements Accounting policies have been consistently applied unless otherwise expressly stated. Company adopting the accounting policy in the following manner:

**2.1 Basis of preparation**

**Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 (the Act) (to the extent notified). Ind AS are prescribed under Section 133 of the Act read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2021.

The Company's annual financial statements upto and for the year ended 31 March 2022 were prepared in accordance with the Companies Accounting Standards Rules, 2021 (as amended) notified under Section 133 of the Act and other provisions of the Act (Ind AS) (Ind AS-CAR) in Previous GAAP.

The Company has adopted all the relevant Ind AS standards and any first time adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act read with Rule 4 of the Companies Accounting Rules, 2014 (Ind AS) which was the Previous GAAP and an explanation of how the transition to Ind AS has affected the comparability together financial position, financial performance and cash flows of the Company is provided in note 46.

The financial statements are presented in Indian Rupees, which is also the Company's functional currency and all amounts have been rounded off to the nearest lakh, unless otherwise stated.

**Recognition Measurement**

The financial statements have been prepared on a historical cost basis with the exception of certain assets, subject to the following:

a. Certain Intangible Assets and Intangible Assets are valued to be measured to be calculated with carrying cost as measured from acquisition;

b. Employee benefits which are measured at fair value and certain assets are valued to be calculated from fair valuations ("FBV")

**2.2 Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information that is significant to estimates, risks, uncertainties and critical judgements in applying accounting policies that could affect the financial statements is disclosed in the following manner:

**Contingent liabilities:** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continuously to determine whether an outflow of resources comprising economic benefits has become probable. If the outflow is probable then an outflow of future economic benefits will be required for an item, therefore, deal with as a contingent liability which is not recognized in the financial statements at the period in which the change in liability occurs. Except in the extremely rare, unusual cases where a reliable estimate can be made.



**Kristal Integrated Services Limited (Formerly KISL) (The "Company")**

**2.3 Accounting for Valuing Intangible Assets**

- i. Intangible assets are recognized only if they are identifiable and measurable and if their value can be reliably measured and verified.
- ii. Intangible assets are recognized only if they are identifiable and measurable and if their value can be reliably measured and verified.
- iii. Measurement of intangible assets is based on the fair value of the asset.
- iv. Property, plant and equipment is valued at cost.
- v. Other intangibles: The preparation of financial statements requires the use of estimates that affect the reported amount of assets, liabilities, equities or contingencies at the date of financial statements. In the reported amount of assets and liabilities for the reporting period, specifically, the Company estimates the probable realizable amount of receivables by analyzing historical payment patterns, customer creditworthiness, customer creditworthiness and other factors. In the financial condition of a customer, unforeseen additional circumstances may be required.

**2.4 Measurement of Fair Value**

Some of the Company's accounting purposes and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels, in order of decreasing reliability. The inputs used in the valuation techniques are:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities.
  - Level 2: Inputs other than quoted prices that are directly or indirectly observable for the asset or liability.
  - Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- When measuring the fair value of an asset or liability, the Company uses observable market data, in as far as possible. If the inputs used in measuring the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the fair value measurement.

**2.5 Current and non-current classification**

The Company's current assets and liabilities is the balance sheet based on a ready measurement level of an asset or liability is categorized as current if:

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

As used, assets are classified as non-current

Liability is current when:

- 1. It is expected to be settled in normal operating cycle.
- 2. It is held primarily for the purpose of trading.
- 3. It is due or payable within twelve months after the reporting period.
- 4. There is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The term "current assets and liabilities" are classified as "current assets and liabilities".

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. For Company, the operating cycle is twelve months after the reporting date.

**2.6 Property, plant and equipment**

Property, plant and equipment is valued at cost, less accumulated depreciation and impairment losses.

Cost of an item of property, plant and equipment includes its purchase price including import duties and non-refundable purchase taxes, after accounting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling, removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future

economic benefits associated with those will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the realized gain or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying amount and their fair value less costs to sell.

**2.7 Intangible Assets**

On 01/01/2018, the Company has entered into an agreement with the management of KISL (Formerly KISL) to acquire the property, plant and equipment recognized as of April 2017 measured as per the creditable GAAP and use the same as the working asset of the Company.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a straight line method (SLM), over the useful life of the fixed assets estimated by the

management. The management believes that the useful lives are fair and based on the period over which management expects to use these assets based on an internal assessment and technical assessment, where necessary. Hence, the useful lives for the assets are different from the useful lives as prescribed under section 32 of Income Tax Act, 1961. Depreciation for assets purchased during the year is provided on a straight line method over the useful lives for fixed assets as follows:

Category	Depreciable
Building	30 Years
Plant & Machinery	10 Years
Furniture & Fixtures	10 Years
Motor Vehicles	5 Years
Computer Peripherals	5 Years

The assets reported to be the assets, lives of the assets, and as per the depreciation method for each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount exceeds its recoverable amount.



Krysal Integrated Services Limited (Formerly Krysal Integrated Services Limited) and  
its Amalgams are public companies (as defined in the Companies Act, 2013)

Goods and Services Tax (GST) is ascertained by summary methods with carrying forward. There are no input tax credits available to the company.

Advance paid towards the acquisition of property, plant and equipment (including in respect of leasehold) is classified as 'other receivables' when the related assets and the cost of the assets (including the related liability) are not yet available for use.

#### 7.4 Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. In the case of intangible assets acquired in a business combination, the fair value at the time of acquisition, where applicable, is initial recognition. Intangible assets acquired as part of an acquisition are amortized and accumulated depreciation, where intangibles generated, including capitalized development costs, are not amortized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

#### Amortization methods, estimated useful lives and residual value

Intangible assets are amortized in statement of Profit and Loss over their estimated useful life based on underlying business where applicable. The useful life is determined as follows:

##### Assets

Computer Software

Amortization Period

3 Years

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

##### Transfer to Intangible Assets

On 01/04/2018, the Company has entered to continue with the carrying value of all intangible assets registered as at 1 April 2018. In accordance with the Provisions of GAAP and use the carrying value as the deemed cost of intangible assets.

#### 2.7 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount is the higher of the fair value less costs to sell and the value in use. It is determined on an individual asset basis unless the asset generates cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined for the CU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets. An impairment loss is recognized in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the assets is increased to its recoverable amount, provided that the amount does not exceed the carrying amount the asset has previously determined. The related accumulated depreciation or depreciation loss is reversed for the asset's carrying amount.

#### 2.8 Leases

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.

##### The Company as a Lessee

The Company assesses whether a contract contains a lease. A lease is an agreement, or a series of such agreements, whereby a contract conveys the right to control the use of an identified asset. The Company assesses whether:

1. The contract involves the use of an identified asset

2. The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

3. The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability, for all lease arrangements to which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For those short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount is the higher of the fair value less costs to sell and the value in use. It is determined on an individual asset basis, unless the asset generates cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if that cannot be determined, using the incremental borrowing rate in the country of the lease asset, measured at the commencement date.

The amount of the lease liability is determined by discounting the cash flows being evaluated for the control of assets with similar characteristics.

Lease liability and ROU assets have been separately disclosed in the respective note and lease payments have been disclosed in the accompanying notes.



**The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantial part of the risks and rewards of ownership to lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an original lessor, it records the lease receivable in the lease term and the interest receivable. The surplus is classified as a finance lease receivable by the lessor but is treated as a PPE if it is a leasehold asset.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant asset.

**2.6 Investment in subsidiaries and joint ventures**

Investment in subsidiaries, associates and joint ventures are carried at historical cost adjusted for impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised. If recoverable amount is higher than the carrying amount of such investments, difference between the two is reversed as a gain in the statement of profit and loss.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all investments in subsidiaries and joint ventures as at 1 April 2009 measured as per the P. (vii) of IAS 8.

**2.7 Inventories**

Cost of inventories are measured at lower of cost and net realisable value after providing for obsolescence. Cost of inventory of a department or PPE has a cost of materials, comprises of cost of purchase, cost of conversion and other costs including contribution of identifiable lease incurred in carrying them to their respective present location and condition.

**2.8 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand and on call and short-term deposits with an original maturity of three months or less which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents comprise all cash and short-term deposits, excluding those:

**2.9 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

**A Financial Assets**

**Initial recognition and measurement**

A financial asset is recognised initially at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are

attributable to the acquisition of the financial asset. Transaction costs of financial assets do not include fair value through profit or loss as determined in determining

financial assets are excluded, to initial recognition, as financial assets measured at fair value as a financial asset measured at fair value through profit or loss.

**Subsequent measurement**

For purpose of subsequent measurement, financial assets are classified in the following:

1. Financial assets at amortised cost
2. Financial assets at fair value through profit or loss (excluding equity instruments) (FVTPL)
3. Financial assets at fair value through profit or loss (including equity instruments) (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income (FVOCI)

**Financial asset at amortised cost**

Contractual assets are classified at the amortised cost when the following condition are met:

1. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
2. Contractual terms of the asset give rise to specified flows of cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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. This measurement is adjusted for impairment losses in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to debt investments.

**Financial asset at FVOCI**

A financial asset is classified as an FVOCI if both of the following conditions are met:

1. The objective of the business model is to hold cash flows by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

**Financial asset at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not fulfil the criteria for classification as a financial asset at amortised cost or as a FVOCI, is classified as an FVTPL.

In practice, a company may elect to designate a debt instrument which otherwise meets amortised cost or FVOCI criteria, as an FVTPL instrument. Such election is allowed irrespective of whether the debt instrument is measured at amortised cost or FVOCI. A company has the option to designate any debt instrument as an FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.





Equity investments other than investments in subsidiaries, associates and joint ventures

All equity investments other than investments in subsidiaries, associates and joint ventures are classified as follows:

**Derivatives**

The Company does not hold any derivatives.

1. The right to receive cash from the issuer, other than:

2. The Company has not entered into any derivatives contracts with a view to generating a profit from the fluctuations in the price of the underlying asset.

d) The Company has transferred substantially all the risks and rewards of ownership.

e) The Company has neither transferred nor retained control over the assets and wants to derecognise the assets to the extent of the loss.

When the Company has transferred the rights to receive cash from the issuer, but it has not transferred substantially all the risks and rewards of ownership, the Company has not retained the risks and rewards of ownership. When the Company has not transferred substantially all the risks and rewards of ownership, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In such case, the Company also recognises an associated liability. Its transfer of assets to the transferee liability will be recognised on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of: (a) the original carrying amount of the asset; or (b) the maximum amount of consideration that the Company could be required to pay.

**Impairment of Financial Assets**

The Company assesses impairment based on expected credit loss (ECL) model as follows:

1. Financial assets measured at amortised cost

2. Financial assets measured at fair value through other comprehensive income (FVOCI)

Expected credit losses are calculated through a three-step model as follows:

1. The 12 months expected credit losses (provided credit risk has not increased significantly since the last reporting date) are provided unless there is evidence of a significant increase in credit risk after the reporting date, or

2. Full time expected credit losses (provided there is evidence of a significant increase in credit risk since the last reporting date).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The Company follows the simplified approach provided by Ind AS 109 for financial instruments for recognition of impairment loss allowance. The simplified approach does not require the Company to track changes in credit risk of trade receivables. The Company calculates the expected credit loss on trade receivables on the basis of its historical credit loss experience. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

ECL impairment loss allowance on financial instruments, the credit is recognised as income in the statement of profit and loss. The amount of loss allowance, less impairment expense, is recognised in profit and loss. The income sheet presentation for various financial instruments is as follows:

Financial assets measured at amortised cost, contract revenue receivables or lease receivables (ECL) presented as an allowance on the statement of profit and loss. The amount of loss allowance is the balance sheet. The allowance is the net carrying amount of financial assets minus impairment losses. The amount of loss allowance is calculated based on the expected credit loss.

Loan commitments and financial guarantees provided are measured at the balance sheet net of allowance.

For assessing increase in credit risk, the Company considers financial instruments on the basis of shared credit risk characteristics. The objective of facilitating an analysis that is generated in order to identify increases in credit risk to be identified on a timely basis.

The Company does not have any credit asset or financial assets measured at FVOCI financial assets, the financial assets which are credit impaired or non-trading instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

**B Financial liabilities and equity instruments**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the issuer after deduction of all its liabilities. Equity instruments are classified as the proceeds received, net of direct issue costs.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value, less transaction costs, if any, and subsequently at amortised cost using the effective interest method.

The Company's financial liabilities are classified into financial liabilities and equity instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

1. Financial liabilities or contracts through profit or loss

2. Financial liabilities measured at amortised cost

3. Financial liabilities measured at fair value



**Krysal Integrated Services Limited (Formerly Kystal Integrated Services Finance Limited)**

(All Amounts are in Millions unless otherwise stated)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities that for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on financial liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated as such at the initial recognition and are not subject to the criteria in Ind AS 109 for classification as financial liabilities held for trading and are not recognized in OCI. These financial liabilities are not subsequently classified in the Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss without equity if there is change in the nature of such liability and recognize in the statement of profit and loss. The company has not designated any financial liability as at FVTPL.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are shown, early in arrears if applicable, comprising the EIR method. Gains and losses are recognized in the statement of profit and loss when the liability is derecognized or when through the EIR amortization process. Interest cost is calculated by taking into account any amount in premium or discount and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it may incur because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowed to be incurred as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**Derecognition**

A financial liability is derecognized when the obligation under it is discharged or expires, is transferred or settled. When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the cancellation 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.

**C. 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.

**D. Derivative financial instruments**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward contracts, contracts to hedge its foreign currency risks. Such derivatives are measured and initially recognized at fair value on the date on which a contract is entered into and are subsequently measured at fair value. Derivatives are carried as a financial asset or liability when its fair value is positive and as financial liability when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recognized in profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge term affects profit or loss or treated as a loss adjustment in a hedged interest transaction subsequently resulting in the recognition of a non-financial asset or non-financial liability.

Forward contracts entered into as part of foreign exchange contracts, recognized over the life of the contracts, exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rate changes. Profit/loss on cancellation/forward of forward exchange contract is recognized as income/expense.

**3.13 Provisions, Contingent liabilities, Contingent assets and Commitments**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects reimbursement of a provision or is reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is recognized in the statement of profit and loss net of any reimbursement.

In the effect of the time value of money is material, provisions are discounted using a current, pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an expense.

Contingent liability is discussed in the case of:

1. A present obligation arising from the past events, when it is not a liability but an outflow of resources will be required to settle the obligation.

2. A present obligation arising from the past events, when the outflow is not probable.

3. A possible obligation arising from the past events, which is not covered by a contractual provision.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**3.14 Taxes**

**Current tax**

Current tax on the assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities based on the tax laws and practices that substantially pertain at the reporting date in the country where the enterprise and generally taxable income.

Current tax on the equity, shall be in relation to the underlying assets or other funds or assets in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations which are applicable for regulatory and judicial interpretations and establishes provisions, where appropriate.



#### Deferred Tax

Deferred tax is provided in the financial statements on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred tax assets are the amount of future tax recoverable in future periods in respect of

1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax to be utilised. A corresponding deferred tax liability is recognised in the results of the associated reporting period and a corresponding debit is given that it has become probable that future taxable profits will not be available to realise the benefit.

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

Deferred tax resulting from temporary differences is recognised as a liability unless it arises from the initial recognition of an asset or liability. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable profits will be available to realise the benefit.

Deferred tax assets and deferred tax liabilities are offset on a net basis, if the entity has a legal enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity.

#### 1.15 Revenue recognition

The Company's revenue is derived primarily from management services rendered to its clients, services to its clients and other management fees, solutions

provided to its clients and other services. Revenue is recognised when the criteria set out in the IFRSs are met. Revenue is recognised when the payment is due and the payment is not subject to significant uncertainty. Revenue is recognised when the Company has transferred control of the goods or services to the client and the Company has no further obligations to the client. Revenue is recognised when the Company has transferred control of the goods or services to the client and the Company has no further obligations to the client. Revenue is recognised when the Company has transferred control of the goods or services to the client and the Company has no further obligations to the client.

The revenue from contracts for the supply of goods and services is recognised when the criteria set out in the IFRSs are met. Revenue is recognised when the Company has transferred control of the goods or services to the client and the Company has no further obligations to the client.

The Company's revenue may include other income such as interest, dividends and royalties when received from its clients. A discount or allowance is recognised as an expense of the reporting period in which the discount or allowance is granted.

Revenue from contracts for the supply of goods and services is recognised when the criteria set out in the IFRSs are met. Revenue is recognised when the Company has transferred control of the goods or services to the client and the Company has no further obligations to the client.

The Company has received from its clients a significant amount of advance payments in the form of "Advance Payments" which will be recognised as revenue when the goods or services are delivered to the clients.

The Company's revenue from the supply of goods and services is recognised when the criteria set out in the IFRSs are met. Revenue is recognised when the Company has transferred control of the goods or services to the client and the Company has no further obligations to the client.

#### Other Income

Other income comprises primarily interest, dividends and royalties when received from its clients. A discount or allowance is recognised as an expense of the reporting period in which the discount or allowance is granted.

#### 1.16 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. If the grant is related to expenses, it is recognised as income over the period in which the grant is used to purchase or otherwise settle the related costs. If the grant is related to an asset, it is recognised as income over the useful life of the asset.

#### 2.13 Employee Benefits

##### A Short-term employee benefits

A liability is recognised for benefits accruing to employees, with respect to wages and salaries, short-term employee benefits and other employee benefits, measured at the amount of the benefits expected to be paid in exchange for the services rendered by employees. A liability is recognised for benefits accruing to employees, with respect to wages and salaries, short-term employee benefits and other employee benefits, measured at the amount of the benefits expected to be paid in exchange for the services rendered by employees.

##### B Post-employment benefits

The provisions of the Companies are applied to post-employment benefits. For the purpose of the provisions of the Companies, a provision is a liability which is recognised by the Company in respect of its obligations to its employees, with respect to wages and salaries, short-term employee benefits and other employee benefits, measured at the amount of the benefits expected to be paid in exchange for the services rendered by employees. A liability is recognised for benefits accruing to employees, with respect to wages and salaries, short-term employee benefits and other employee benefits, measured at the amount of the benefits expected to be paid in exchange for the services rendered by employees.

Liabilities for post-employment benefits are measured as the present value of the estimated amount of the benefits payable to employees, based on the assumptions and methods used to estimate the liabilities. A liability is recognised for benefits accruing to employees, with respect to wages and salaries, short-term employee benefits and other employee benefits, measured at the amount of the benefits expected to be paid in exchange for the services rendered by employees.



**C. Defined contribution plan**

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation for further contributions if the fund does not hold sufficient assets to pay all employee benefits. The Company makes specified monthly contributions towards Employee Provident Fund (a government administered Provident Fund Scheme which is a defined contribution plan). The expenses for defined contribution plan is recognised as expense during the period when the employee provides service.

**D. Defined benefit plan**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum gratuity to eligible employees at retirement or termination of employ ment based on the last drawn salary and years of employment with the Company. The Company's gratuity fund is managed by Life Insurance Corporation of India (LIC). In the presence of grossly obligation under such defined benefit plan is determined based on actuarial valuations carried out by an external actuary using the Projected Unit Credit Method. The Company recognises the net obligation of a defined benefit plan as liability to the extent of an asset or liability.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past service costs, gains and losses on settlements and non-routine settlements, and
- Actuarial expense or income

Actuarial gains or losses are recognised in other comprehensive income. Further, the statement of profit and loss does not include an expense or gain arising instead, for interest recognised in the statement of profit and loss is measured by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in the statement of profit and loss in subsequent periods.

**2.16. Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

**2.19. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with financing or investing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.20. Segment Reporting**

In accordance with the IAS 105, Operating segments, segment information has been disclosed in the Consolidated Financial Statements of the Company and a separate disclosure on segment information is given in these standalone financial statements.

**2.21. Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the respective transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency at the exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such monies and non-monetary liabilities and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**2.22. Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Having considered in ascertaining the Company's earnings per share in the net profit for the period after deducting preference dividends and any attributable interest therefor for the period. The weighted average number of equity shares outstanding during the period and for all other circumstances is adjusted for events, such as bonus issues, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



Krystal Integrated Services Limited (Formerly Krystal Integrated Services Limited)  
(All amounts in ₹, unless otherwise stated)

**2.13 Non-current assets (or disposal group) held for sale and discontinued operations:**

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

For the purpose of calculating diluted earnings per share, the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

When a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, that line is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation, together with the gain or loss recognised on its disposal, are disclosed as a single amount in the statement of profit and loss, with all other periods being presented on the face.

**2.14 New and amended Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs (MCA) issues new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 11, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, effective from April 1, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Disclosure of policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 12 - Income Taxes:** The amendments clarify how companies account for deferred tax on transactions with tax effects and the corresponding adjustments. The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact of this amendment on its financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition and change in accounting estimates has been replaced with a definition of accounting estimates.

Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use accounting estimates if accounting policies require items in the financial statements to be measured in a way that includes measurement uncertainty. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The Company does not expect this amendment to have any significant impact on its financial statements.



**5 Investments**

Particulars	31st March 2021	31st March 2022	1st April 2023
Investment in equity shares (not listed for sale)			
<b>Hydrobatts (Private) Ltd.</b>			
16,43,825 (1,47,825) shares of Hydrobatts (Private) Ltd. of Rs.10/- each	16.43	15.47	15.75
19,99,00,000 (19,99,00,000) shares of Pooja Facilities Private Limited of Rs.10/- each	19.99	19.99	19.99
Investment in debt of (PVT) Ltd.			
Others - In Co-operative bank		0.23	0.04
10,12,53,000 (10,12,53,000) shares of Mahesh Co-operative Bank Ltd. of Rs.10/- each			
13,12,53,000 (13,12,53,000) shares of Mahesh Co-operative Bank Ltd. of Rs.10/- each	13.66	13.21	13.27
Investment in Joint Venture (Equity Method)			
Central Powertrain (PVT) Ltd.	0.10	0.10	0.10
Central Powertrain (PVT) Ltd. in the nature of Equity, SWS Kerala PT	9.75	1.58	1.29
Other Investments			
Gold Jewellery (Amount)	1.50	1.50	1.50
<b>Total</b>	<b>40.04</b>	<b>39.95</b>	<b>47.10</b>
Aggregate amount of quoted investments and marketable securities	33.83	31.15	37.94
Aggregate amount of unquoted investments	6.21	8.80	9.16
Aggregate amount of investments in the nature of investments			

\*\*WFOE Invest Joint Venture (WFOE Invest) is a joint arrangement in which the Company has a right of 50% share in profits. WFOE Invest is a partnership firm registered on 17 June 2020, having its principal place of business at Kerala. The firm was set up for providing all types of security solutions, including supply of security personnel, protection of property, house keeping and all other relevant and incidental work. As the business operations did not take off for the above mentioned and hence the capital invested by the company amounting to INR 50,00,000/- was impaired. In the financial year 2021-22, the firm has reported a net loss of INR 20.00 Lakhs, the company's share in the loss is INR 10.00 Lakhs. The loss has not been claimed by the company for tax purposes as such loss according to the company has been treated as a business loss. The Management does not recognize any liability in the reports.

Particulars	31st March 2021	31st March 2022	1st April 2023
Security Deposits			
- considered good	19.08	91.04	11.15
Bank deposits with maturity more than 12 months	312.40	171.02	44.57
<b>Total</b>	<b>331.48</b>	<b>262.06</b>	<b>55.72</b>

Particulars	31st March 2021	31st March 2022	1st April 2023
On Deferred Tax asset / (Liability) (net)			
On difference between book balance and tax balance of property, plant and equipment and intangible assets	20.82	15.45	17.28
On Shareholder			
Others	60.41	55.94	55.72
<b>Total</b>	<b>81.23</b>	<b>71.39</b>	<b>73.00</b>

Particulars	31st March 2021	31st March 2022	1st April 2023
Income tax assets (net) - Non-current			
Advance Income Tax & TDS (net of Provision)	47.54	43.20	49.43
<b>Total</b>	<b>47.54</b>	<b>43.20</b>	<b>49.43</b>

Particulars	31st March 2021	31st March 2022	1st April 2023
Other Non-current Assets			
Capital advances (long-term), considered good		80.57	
<b>Total</b>		<b>80.57</b>	

Particulars	31st March 2021	31st March 2022	1st April 2023
Inventories			
(Valued at cost or Net Realizable Value whichever is lower)			
Consumable items	6.95	58.51	12.34
<b>Total</b>	<b>6.95</b>	<b>58.51</b>	<b>12.34</b>



11 Trade Receivables			
Particulars	31st March 2023	31st March 2022	1st April 2021
(I) Trade Receivables - Billed			
Unsecured, considered good	662.82	1,335.72	1,556.44
Less: Allowance for expected credit loss	(120.56)	(146.44)	(134.20)
Total Trade Receivables - Billed	712.28	1,575.28	1,473.74
(II) Trade Receivables - Unbilled			
Unbilled	759.07	805.79	594.90
Less: Allowance for expected credit loss	(179.07)	(200.00)	(120.00)
Total Trade Receivables - Unbilled	759.00	785.25	574.22
<b>Total</b>	<b>1,452.28</b>	<b>2,360.53</b>	<b>2,078.62</b>

Trade receivables includes:

- Due from related parties (refer note 37)
- Other receivables

1. The Group's exposure to credit loss on receivables related to trade receivables are disclosed in Note 42.

2. Working Capital has been disclosed against first charge on book debts.

3. The amount of loss allowance (for the expected credit loss) has been recognized under the 3rd/4th approach for trade receivable and same is break-up of trade receivable into 'legitimate invoice receivable' and 'non-invoiced' has not been disclosed separately.

Trade Receivable Aging						
FY 2022-23						
Category	≤ 6 months	Outstanding for following periods from due date of payment				Total
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(I) Unbilled Trade Receivables - Considered Good	759.07					
(II) Unbilled Trade Receivables - Considered Doubtful						
(III) Billed Trade Receivables - Considered Good						
(IV) Billed Trade Receivables - Considered Doubtful						
Unbilled Revenue						759.07
Less: Allowance for expected credit loss						(170.25)
Net receivables						1,452.28
FY 2021-22						
Category	≤ 6 months	Outstanding for following periods from due date of payment				Total
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(I) Unbilled Trade Receivables - Considered Good	1,471.03	32.06				
(II) Unbilled Trade Receivables - Considered Doubtful						
(III) Billed Trade Receivables - Considered Good						
(IV) Billed Trade Receivables - Considered Doubtful						
Unbilled Revenue						1,471.03
Less: Allowance for expected credit loss						(158.53)
Net receivables						1,312.50
FY 2020-21						
Category	≤ 6 months	Outstanding for following periods from due date of payment				Total
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(I) Unbilled Trade Receivables - Considered Good	282.47					
(II) Unbilled Trade Receivables - Considered Doubtful						
(III) Billed Trade Receivables - Considered Good						
(IV) Billed Trade Receivables - Considered Doubtful						
Unbilled Revenue						282.47
Less: Allowance for expected credit loss						(170.50)
Net receivables						1,111.97

12 Cash and Cash Equivalents			
Particulars	31st March 2023	31st March 2022	1st April 2021
Current accounts with Banks	83.32	0.17	1.04
Cash on hand	1.03	1.00	1.25
<b>Total</b>	<b>84.35</b>	<b>1.17</b>	<b>2.29</b>

13 Bank Balances other than Cash and Cash Equivalents above			
Particulars	31st March 2023	31st March 2022	1st April 2021
Bank deposits with maturity less than 12 months			
Bank deposits with banks for liquidity against bank schemes	91.07	716.53	226.30
Total	91.07	716.53	226.30
Bank deposits are held as margin money against bank's borrowings for BNC and term loans.			

14 Credit Loans			
Particulars	31st March 2023	31st March 2022	1st April 2021
Unsecured, considered good - Receivable on demand			
Loans to Related Party			
- to Subsidiaries	255.87	17.50	8.09
Loans to Others	42.52	-	0.00
<b>Total</b>	<b>278.39</b>	<b>17.50</b>	<b>8.09</b>



Details of loans and advances given during the year under Section 58E(i) of I.T.A. 1961  
 for the year ended 31 March 2023

Particulars	Balance as at 01st April 2022	Loans and advances given during the year	Loans and advances repaid during the year	Balance as at 31st March 2023
Krysal Telecom Private Limited (subsidiary)	7.43	37.45	26.92	17.96
Forma Facilities Private Limited (subsidiary)	10.15	25.10	00.00	35.25
Krysal Telecom Services Private Limited	-	22.59	-	22.59
<b>Total</b>				

Movements for the year ended 31 March 2023

Particulars	Balance as at 01st April 2022	Loans and advances given during the year	Loans and advances repaid during the year	Balance as at 31st March 2023
Krysal Telecom Private Limited (subsidiary)	-	20.02	12.00	7.99
Forma Facilities Private Limited (subsidiary)	3.00	25.02	34.89	13.13
Crystal Telecom Services	-	-	-	-

Loans granted to promoters, directors, KMP and related parties (if any) during the year

Particulars	Grat Amount	% to total loans allowed	Allowed	Not Allowed
As at 31st March 2022				
Promoter	-	-	-	-
Director	-	-	-	-
KMPs	-	-	-	-
Related Parties	215.57	25%	-	215.57
As at 31st March 2023				
Promoter	-	-	-	-
Director	-	-	-	-
KMPs	-	-	-	-
Related Parties	37.58	100%	-	37.58

12 Other Financial Assets

Particulars	31st March 2022	31st March 2023	31st April 2023
Participations	-	-	-
Provision to Employees	1.54	2.85	1.50
Security Deposits	-	-	-
Other than above parties	19.06	-	50.87
Other Receivables	9.08	13.57	22.78
<b>Total</b>	<b>29.68</b>	<b>16.42</b>	<b>75.15</b>

16 Income tax assets (net, non-current)

Particulars	31st March 2022	31st March 2023	31st April 2023
Advance Income Tax & TDS/Advance Provision	12.61	60.68	27.85
<b>Total</b>	<b>12.61</b>	<b>60.68</b>	<b>27.85</b>

17 Other Current Assets

Particulars	31st March 2022	31st March 2023	31st April 2023
Advances to Suppliers	10.07	36.53	66.13
Prepaid expenses	22.31	21.96	21.22
<b>Total</b>	<b>32.38</b>	<b>58.49</b>	<b>87.35</b>





7. Equity Share Capital

Particulars	31st Mar 2021	31st March 2022	1st April 2021
(a) Authorized 1,00,00,000 (1,00,00,000) / 1,00,00,000 (1,00,00,000) Equity Shares of ₹ 100/- each	100.00 100.00	100.00 100.00	100.00 100.00
(b) Issued, subscribed and fully paid-up 57,62,200 (57,62,200) / 57,62,200 (57,62,200) Equity Shares of ₹ 100/- each	57.62	57.62	57.61
Total	57.62	57.62	57.61

Notes:

(i) Reconciliation of number of Equity Shares and Amount outstanding at the beginning and at the end of the year

Particulars	31st Mar 2021		31st March 2022		1st April 2021	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount	No. of Equity Shares	Amount
Equity shares outstanding as at the beginning of the year	5,762,200	57.62	5,762,200	57.61	5,762,200	57.62
Add: issued of equity shares during the year						
Equity shares outstanding as at the end of the year	5,762,200	57.62	5,762,200	57.62	5,762,200	57.62

(ii) Shares held by holding company/promoter

Name of the shareholder (promoter)	31st Mar 2021		31st Mar 2022		1st April 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Crystal Family Holding Private Limited (promoter)	5,762,200	57.62	5,762,200	57.62	5,762,200	57.62
	5,762,200	57.62	5,762,200	57.62	5,762,200	57.62

(iii) Details of Shareholders holding more than 5% of Equity Shares of the Company

Name of the shareholder	31st Mar 2021		31st Mar 2022		1st April 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Crystal Family Holding Private Limited	5,762,200	100%	5,762,200	100%	5,762,200	100%
	5,762,200	100%	5,762,200	100%	5,762,200	100%

(iv) Terms / rights attached to equity shares

The Company has single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(v) There are no bonus shares issued on shares bought back during the period of 5 years immediately preceding the reporting date. However, the Board of Directors in its meeting held 28th September 2021 approved issue of 1 bonus equity share for each two shares held by respective shareholder as on record date, subject to approval by shareholders.



19 Other Equity

Particulars	Amount
(a) Securities Premium Reserve	
As at 1st April 2021	8.00
Add/(Less): Addition/(deletion) during the year	-
As at 31st March 2022	8.00
Add/(Less): Addition/(deletion) during the year	-
As at 31st March 2023	8.00
(b) Retained Earnings	
As at 1st April 2021	1,865.20
Less: Adjustments related to transition to Ind AS	(92.13)
As at 1st April 2021	1,271.07
Add: Profit for the year	260.21
Less: Other comprehensive income	14.90
As at 31st March 2022	1,546.08
Add: Profit for the year	382.09
Less: Other comprehensive income	2.51
Less: Balances transferred pursuant to scheme of arrangement (Refer Note 43)	(392.12)
As at 31st March 2023	1,538.53

Brief description of other equity:

- a. Securities Premium: This reserve represents amounts received in addition to the par value of shares. The utilisation of the securities premium will be in accordance with the provisions of The Companies Act, 2013.
- b. Retained Earnings: This Reserve represents the cumulative profits of the company. This reserve is free reserves and can be utilised for any purpose as may be required. All adjustments arising on account of transition to Ind AS are recorded under this reserve.

20 Borrowings - Non-current

Particulars	31st March 2023	31st March 2022	1st April 2021
<b>Secured</b>			
<b>From Banks</b>			
Vehicle Loans (Refer note (i) (a) and (iii) (a) below)	19.66	14.65	17.54
<b>Covid Emergency Funding</b>		3.07	28.05
<b>Loan from Related Party</b>			
Loan against Property (Mumbai District Central Co-operative Bank Ltd)	150.14	186.28	218.12
Covid Emergency Funding (Mumbai District Central Co-operative Bank Ltd)	-	17.61	25.37
<b>From Others</b>			
Term Loans from Financial Institutions	5.60	219.26	12.46
<b>Total secured borrowings</b>	<b>175.40</b>	<b>444.92</b>	<b>301.62</b>
<b>Unsecured</b>			
<b>Loan from related party</b>			
Navanijara Finance Pvt. Ltd. (NBFC)	58.87	-	-
Loan from Promoters/Directors	-	33.79	44.36
Intercompany Deposit	-	-	-
<b>Total unsecured borrowings</b>	<b>58.87</b>	<b>33.79</b>	<b>44.36</b>
Less: Current maturities of long term loans (refer table below)	(77.37)	(197.68)	(176.97)
<b>Total</b>	<b>156.90</b>	<b>281.03</b>	<b>269.01</b>

\* Information about the Company's exposure to interest and liquidity risk is included in Note 41

Breakup of current maturities of long term borrowings

Particulars	31st March 2023	31st March 2022	1st April 2021
<b>Secured</b>			
From Banks	51.59	55.21	72.08
From Others	25.68	132.47	4.83
<b>Total</b>	<b>77.27</b>	<b>190.68</b>	<b>76.90</b>



**SECURED****(i) Nature of Security**

- (a) Vehicle loans from banks are secured against specific charge on the respective vehicle.  
 (b) Loan for Property are secured against charge on the respective property.  
 (c) Term loans from financial institutions are secured against specific charge on machinery/equipment out of ₹3.70 cr.

**(ii) Maturity Profile and Rate of Interest**

(a) Vehicle loan from Banks are repayable in quoted monthly instalments of Rs. 10,000. Rate and date of interest is mentioned in the following table.

Rate of Interest	Maturity Date
8.21	20 Aug 25
8.75	15 Aug 27
8.95	15 Dec 24
8.35	07 Aug 24
8.35	05 Sep 24
8.35	05 Sep 25
7.40	07 Sep 26
7.40	08 Feb 25
9.05	23 Feb 30

(b) Loan against Property are repayable in 7 years in monthly instalments as per the sanction letter. Maturity is due in March 25. The rate of interest is 11% pa.

(c) Term Loan from Financial Institution - Loan against Equipments are repayable in 3 years in monthly instalments, with 3 months moratorium, as per the sanction letter. Maturity is due in September 2023. The rate of interest is 12% pa.

**UNSECURED**

(a) Term Loan from NBFC are repayable in 36 months. Maturity date is April 27. The rate of interest is 10% pa.

The company has not defaulted on its debt obligation during the year ended 31st March 2023, 2022 and on 1st April 2021.

**21. Lease liabilities**

Particulars	31st March 2023	31st March 2022	1st April 2021
Lease liabilities (Refer note 33)	17.01	14.08	28.52
<b>Total</b>	<b>17.01</b>	<b>14.08</b>	<b>28.52</b>
Current	6.80	9.71	13.48
Non-current	10.21	4.37	15.04

**22. Provisions**

Particulars	31st March 2023	31st March 2022	1st April 2021
Provision for employee benefits			
Provision for Gratuity	1.49	1.69	1.60
<b>Total</b>	<b>1.49</b>	<b>1.69</b>	<b>1.60</b>

**23. Borrowings - Current**

Particulars	31st March 2023	31st March 2022	1st April 2021
<b>Secured</b>			
<b>From Banks</b>			
Cash Credit (Refer note (i) above)	70.20	221.15	185.50
<b>From Related Party</b>			
Cash Credit (Mumbai District Central Co-operative Bank Ltd) (Refer note (i) below)	112.20	23.42	156.00
<b>From Others</b>			
Working capital loan	20.09		
<b>Unsecured</b>			
Loan Others	2.20	2.00	5.48
<b>Current Maturities of long term debt:</b>			
<b>From Bank</b>			
From Related Party (MDCB Bank)	6.69	10.34	29.57
From Others	49.00	44.67	42.90
	25.60	135.47	4.82
<b>Total</b>	<b>282.16</b>	<b>437.11</b>	<b>383.68</b>

**Note****Nature of Security**

- (i) Part Besa first charge by way of hypothecation of our goods, inventories, stock-in-trade, receivable etc. and bank mortgage of certain immovable properties of unsecured and Personal guarantee of Mr. Prasad Lal and Mr. Anand Lal and Mr. Shubham Lal.  
 (ii) Information about the company's exposure to interest rate risk, currency risk, and liquidity risks is included in Note 11.

The company has not defaulted on its debt obligation during the year ended 31st March 2023, 2022 and on 1st April 2021.



The summary of differences noted in quarterly statements filed by the Mailing Company with banks are as follows:

FY 2022-23

Name of banks	Quarter Ended	Particulars	Disclosed as per Statement	As per Books of Accounts	Difference	Reason for Material Variances
MDCB Bank	Q1 - 30th June 2022	Inventory	2.79	2.79	0%	
State Bank of India		Trade Payable	281.90	255.43	6%	
Union Bank of India		Trade Receivable	2,549.46	2,514.67	1%	Note 1
MDCB Bank	Q2 - 30th Sept 2022	Inventory	3.89	3.89	0%	
State Bank of India		Trade Payable	202.18	199.57	1%	
Union Bank of India		Trade Receivable	1,964.00	1,961.51	0%	Note 1
Union Bank of India	Q3 - 31st Dec 2022	Inventory	3.27	3.27	0%	
		Trade Payable	185.16	209.70	-9%	
		Trade Receivable	2,024.23	2,022.88	0%	Note 1
Union Bank of India	Q4 - 31st Mar 2023	Inventory	4.95	4.95	0%	
		Trade Payable	227.22	129.54	83%	
		Trade Receivable	1,731.92	1,621.78	7%	Note 2

Note 1

For quarters June 2022, September 2022 and December 2022, difference is on account of income tax deducted at source (TDS) by clients from running account bills and considered as Trade receivables pending receipt of TDS certificate for the purposes of submission of quarterly statements to banks. There are some minor differences on account of GST as well.

Note 2

For Quarter ending March 2023, apart from the above two there is a difference on account of Unbilled revenue recognised at the year end and Urban City Business Inventory which is taken mistakenly while submitting Trade Receivables Statement to bank.

FY 2021-22

Name of banks	Quarter Ended	Particulars	Disclosed as per Statement	As per Books of Accounts	Difference	Reason for Material Variances
MDCB Bank	Q1 - 30th June 2021	Inventory	98.22	98.22	0%	
State Bank of India		Trade Payable	265.73	278.97	-9%	
Union Bank of India		Trade Receivable	2,193.93	2,258.28	2%	Note 1
MDCB Bank	Q2 - 30th Sept 2021	Inventory	190.24	190.24	0%	
State Bank of India		Trade Payable	229.23	332.09	-31%	
Union Bank of India		Trade Receivable	2,197.54	2,197.50	0%	Note 1
MDCB Bank	Q3 - 31st Dec 2021	Inventory	330.15	330.15	0%	
State Bank of India		Trade Payable	411.48	378.73	5%	
Union Bank of India		Trade Receivable	2,328.40	2,315.63	1%	Note 1
MDCB Bank	Q4 - 31st Mar 2022	Inventory	58.36	58.36	0%	
State Bank of India		Trade Payable	428.56	442.08	-3%	
Union Bank of India		Trade Receivable	2,432.13	2,528.86	-4%	Note 2

Note 1

For quarters June 2021, September 2021 and December 2021, difference is on account of income tax deducted at source (TDS) by clients from running account bills and considered as trade receivables pending receipt of TDS certificate for the purposes of submission of quarterly statements to banks. There are some minor differences on account of GST as well.

Note 2

For Quarter ending March 2022, apart from the above two there is a difference on account of Unbilled revenue recognised at the year end.



FY 2020-21

Name of banks	Quarter Ended	Particulars	Disclosed as per Statement	As per Books of Accounts	Difference	Reason for Material Variances
MPCB Bank State Bank of India Union Bank of India	Q1 - 30th June 2020	Inventory	13.99	13.99	0%	
		Trade Payable	399.50	451.42	-12%	
		Trade Receivable	2,066.45	1,970.37	2%	Note 1
MPCB Bank State Bank of India Union Bank of India	Q2 - 30th Sept 2020	Inventory	20.25	20.35	0%	
		Trade Payable	329.21	337.45	2%	
		Trade Receivable	1,951.79	1,972.17	-1%	Note 1
MPCB Bank State Bank of India Union Bank of India	Q3 - 31st Dec 2020	Inventory	33.93	33.93	0%	
		Trade Payable	275.40	263.99	4%	
		Trade Receivable	2,019.47	2,012.24	0%	Note 1
MPCB Bank State Bank of India Union Bank of India	Q4 - 31st Mar 2021	Inventory	6.64	22.24	-73%	
		Trade Payable	319.17	311.75	7%	
		Trade Receivable	1,864.94	2,147.85	-13%	Note 2

**Note 1**

For quarters June 2020, September 2020 and December 2020, difference is on account of income tax deducted at source (TDS) by clients from running account bills and considered as trade receivables pending receipt of TDS certificate for the purposes of submission of quarterly statements to banks. There are some minor differences on account of GST as well.

**Note 2**

For Quarter ending March 2021, apart from the above two there is a difference due to difficulties faced for reconciliation of accounts due to COVID lockdown and Unbilled revenue recognised at the year end.

**24 Trade Payables**

Particulars	31st March 2023	31st March 2022	1st April 2021
Total outstanding dues of micro enterprises and small enterprises	4.50	2.16	4.87
Total outstanding dues of creditors other than micro enterprises and small	139.99	477.73	355.78
Total	139.55	479.89	360.65

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises.

Particulars	31st March 2023	31st March 2022	1st April 2021
"The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year"			
- Principal amount due to micro and small enterprises	0.50	2.16	4.78
- Interest due to Micro, Small and Medium Enterprises	0.05	0.04	0.09
"The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year"			
"The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006"			
"The amount of interest accrued and remaining unpaid at the end of each accounting period."	0.05	0.04	0.09
"The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 28 of the MSMED Act 2006."	0.82	0.78	0.74

\*Dues to Micro, Small and Medium Enterprises including interest have been determined to the extent such parties have been identified on the basis of information collected by the Management and information collected in this regard. This has been relied upon by the auditors.



Trade Payables Ageing  
FY 2022-23

Category	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.58	-	-	-	0.58
(ii) Others	105.93	10.87	9.18	2.81	138.99
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>106.56</b>	<b>10.87</b>	<b>9.18</b>	<b>2.81</b>	<b>139.55</b>

FY 2021-22

Category	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.16	-	-	-	2.16
(ii) Others	418.99	55.47	0.79	2.48	477.73
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>421.15</b>	<b>55.47</b>	<b>0.79</b>	<b>2.48</b>	<b>479.89</b>

FY 2020-21

Category	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4.87	-	-	-	4.87
(ii) Others	315.93	36.50	1.84	1.61	355.78
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>320.70</b>	<b>36.50</b>	<b>1.84</b>	<b>1.61</b>	<b>360.65</b>

25 Other financial liabilities

Particulars	31st March 2023	31st March 2022	1st April 2021
Security Deposits	47.16	36.80	71.44
Outstanding Liabilities	454.59	548.92	544.11
Other payables pursuant to scheme of arrangement (Refer note 12)	39.22	-	-
<b>Total</b>	<b>540.97</b>	<b>585.72</b>	<b>555.55</b>

\* Payable to VTSPL due to demerger

26 Other Current Liabilities

Particulars	31st March 2023	31st March 2022	1st April 2021
Advance from customer	1.44	19.87	3.59
Statutory Liabilities	442.01	439.29	285.44
<b>Total</b>	<b>443.45</b>	<b>459.16</b>	<b>289.03</b>

27 Provisions

Particulars	31st March 2023	31st March 2022	1st April 2021
Provision for Gratuity	42.19	32.03	30.45
Provision for compensated absences	85.58	80.69	67.86
<b>Total</b>	<b>127.77</b>	<b>112.72</b>	<b>98.31</b>



**Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)**

(All Amounts are ₹ in Millions unless otherwise stated)

**Notes to standalone financial statements**

**28 Revenue from operations**

Particulars	31st March 2023	31st March 2022
Sale of Services (net of taxes)		
Manpower and related services	6,855.05	5,382.47
<b>Total</b>	<b>6,855.05</b>	<b>5,382.42</b>

**29 Other Income**

Particulars	31st March 2023	31st March 2022
Interest income on:		
- Deposits with banks	17.63	13.67
- Interest on Loans	4.44	0.86
Profit on sale of assets	-	0.02
Balance write back	4.06	4.76
Miscellaneous income	1.46	0.08
<b>Total</b>	<b>27.59</b>	<b>19.41</b>

**30 Cost of material and store and spare consumed**

Particulars	31st March 2023	31st March 2022
Inventories of materials, store and spares as at the beginning of the year	3.26	4.04
Add: Purchases of materials	265.03	206.07
	<b>268.29</b>	<b>210.11</b>
Less: Inventories of materials, store and spares as at the end of the year	4.95	3.26
<b>Total</b>	<b>263.34</b>	<b>206.85</b>

**31 Employee Benefit Expenses**

Particulars	31st March 2023	31st March 2022
Salaries and wages	5,144.94	4,120.92
Contributions to provident and other funds	633.80	491.16
Staff welfare expenses	4.50	4.58
<b>Total</b>	<b>5,783.24</b>	<b>4,616.66</b>

**32 Finance Cost**

Particulars	31st March 2023	31st March 2022
Interest expenses	81.98	85.07
Interest on lease liabilities	1.92	2.39
Other borrowing costs	10.87	0.29
<b>Total</b>	<b>94.77</b>	<b>87.75</b>

**33 Depreciation and Amortisation**

Particulars	31st March 2023	31st March 2022
Depreciation on tangible assets (refer note 3(a))	32.97	24.87
Depreciation of right-of-use assets (refer note 3(b))	9.66	15.26
Amortisation of intangible assets (refer note 4)	0.73	1.20
<b>Total</b>	<b>43.36</b>	<b>42.33</b>



Krysal Integrated Services Limited (Formerly Krysal Integrated Services Private Limited)

(All Amounts are ₹ in Millions unless otherwise stated)

Notes to standalone financial statements

34 Other Expenses

Particulars	31st March 2023	31st March 2022
Consumption of stores and spare parts	4.31	2.58
Office Expenses	4.07	2.95
Bank Charges	4.97	1.60
Facility Services	2.07	2.52
Power and fuel	11.98	10.40
Rent (refer note 39)	9.30	1.56
Repairs and Maintenance	16.67	12.48
Insurance	10.45	4.97
Rates and Taxes	13.38	2.07
Donation	-	0.08
Hire Charges	4.52	3.28
Travelling expenses (including foreign travelling)	33.54	5.96
Expected Credit Loss on Trade Receivables (net)	2.48	3.11
Conveyance expenses	4.71	4.28
Communication Expenses	4.29	3.76
Postage and Courier	1.05	1.03
Balance Write off	-	2.65
Tender Expenses	2.08	2.39
Printing and stationery	3.11	1.90
Royalty Fees	-	8.24
Legal and professional fees	42.49	31.68
Payment to auditors (refer note (i) below)	3.85	2.49
Corporate Social Responsibility Expenses (refer note (ii) below)	9.23	6.50
Advertisement Expenses	0.64	0.27
Loss on sale of assets	-	0.00
Business Promotion Expenses	0.11	12.69
Ineligible GST Expenses	39.22	28.27
Interest on late Payment of GST	34.60	5.59
Interest on late Payment of TDS	5.80	3.10
Interest & Damages on ESIC	11.45	2.24
Interest & Damages on PF	25.91	0.02
Miscellaneous Expenses	16.07	8.08
<b>Total</b>	<b>311.85</b>	<b>178.74</b>

Note: Values with ₹ 0.00 denotes amounts less than ₹ 5000

Note - (i) : Payment to Auditor's (excluding GST)

Particulars	31st March 2023	31st March 2022
- Statutory audit fees	3.60	1.50
- Tax Audit Fees	0.25	0.20
- Taxation matters	0.45	0.70
- Other matters	0.57	0.09

Note - (ii) : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Pursuant to said provision the Company has constituted the CSR committee in earlier years. The funds are utilized throughout the year on the activities which are specified in Schedule VI of the Act.

The utilization is primarily done by way of contribution or a trusts, the details are given below:

Particulars	31st March 2023	31st March 2022
(a) Gross amount required to be spent by the Company	7.06	-
(b) Amount spent during the year	9.23	6.50
- Amount spent for the purpose	Education purpose	Education purpose
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Details of related party transactions, if any, as per Section 177 of the Act	-	-





**Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)**

(All Amounts are ₹ in Millions unless otherwise stated)

**Notes to standalone financial statements**

**Note 35**

**Earnings per equity share**

Basic earning per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	31st March 2023	31st March 2022
<b>i. Profit attributable to Equity holders</b>		
Profit attributable to equity holders :		
Profit attributable to equity holders for basic earnings	382.10	260.20
Profit attributable to equity holders adjusted for the effect of dilution	382.10	260.20
<b>ii. Weighted average number of ordinary shares</b>		
Issued ordinary shares as at	5,762,200	5,762,200
<b>Weighted average number of shares at March 31 for EPS</b>	<b>5,762,200</b>	<b>5,762,200</b>
<b>Basic and diluted earnings per share</b>		
Basic earnings per share	33.16	22.58
Diluted earnings per share	33.16	22.58



**Krytal Integrated Services Limited (Formerly Krytal Integrated Services Private Limited)**

(All Amounts are ₹ in Millions unless otherwise stated.)

Notes to standalone financial statements

**Note 36 - Employee benefit expense**

The Company contributes to the following post-employment benefit plans in India

**A. (i) Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The contributions payable to these plans by the Company are thereafter specified in the rules of the schemes.

The Company recognised ₹ 612 Millions (31 March 2022: ₹ 450 Millions and 31 March 2021: ₹ 385 Millions) for provident fund contributions in the Statement of Profit and Loss.

**(ii) Defined Benefit Plan:**

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages set down by the employee concerned. These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The Company's gratuity scheme for core and associates employees is administered through a third party manager, the Life Insurance Corporation of India. The company expects to pay INR 30 million contributions to its defined benefit plans in FY 2023-24.

**A. Assets and liabilities related to employee benefits**

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31st March 2023	31st March 2022
Fair value of plan asset	10.46	17.75
Present value of obligations	54.14	51.67
<b>Assets / (liability) recognised in Balance Sheet</b>	<b>-43.68</b>	<b>-33.72</b>
Non-current	1.84	1.69
Current	41.84	32.03

**B. Movements in net defined benefit liability**

	Defined benefit obligation	
	31st March 2023	31st March 2022
Opening balance	51.47	49.06
Included in profit or loss		
Current service cost	24.57	25.58
Interest cost (income)	2.65	1.06
<b>Included in OCI</b>	<b>78.68</b>	<b>76.72</b>
remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Financial assumptions	12.23	9.20
Experience adjustment	16.67	-30.96
<b>Other</b>	<b>-4.44</b>	<b>-21.76</b>
Benefits paid	-20.11	-3.46
<b>Closing balance</b>	<b>54.14</b>	<b>51.67</b>



Krysal Integrated Services Limited (Formerly Krysal Integrated Services Private Limited)

(All amounts in ₹ millions unless otherwise stated)

Notes to standalone financial statements

Note 36 - Employee benefit expense

Maturity Analysis of Projected Benefit Obligation from the opening year

	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 to 10
31st March 2023	0.17	0.41	0.93	0.55	0.49	1.77
31st March 2022	0.11	0.34	0.54	0.56	0.54	1.69

C. Movement in fair value of plan assets

The following table shows a reconciliation from the opening balances to the closing balances for fair value of asset and its components:

	Fair Value of Assets	
	31st March 2023	31st March 2022
Opening balance	17.75	17.00
Transfer in/(out) plan assets		
Expenses deducted from the fund		
Interest income	1.58	1.27
Return on plan assets excluding amounts included to interest income	-0.97	-0.88
Contributions by employee	0.16	0.35
Benefits paid	-18.15	-1.49
Closing balance	10.46	17.75

D. (i) Expenses recognised in the statement of profit and loss

Current service cost	24.57	25.58
Interest cost	2.95	2.08
Interest income	-1.58	1.27
Net gratuity cost	25.94	26.93

(ii) Re-measurement recognised in other comprehensive income

Re-measurement net defined benefit liability	4.44	21.76
Re-measurement net defined benefit asset	0.90	0.88
	-3.54	-20.88

D. Defined benefit obligations

I. Actuarial assumptions

(The following were the principal actuarial assumptions at the reporting date, expressed as weighted averages)

	31st March 2023	31st March 2022
Discount rate	7.35%	5.15%
Salary escalation rate	6.50%	6.50%

The attrition rate varies from 1% to 55% (PY: 1% to 50%) for various age groups.

Mortality rate varies from 0.38% to 1.12%. Published rates under Indian Assured Unad Mortality Table.

II. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March 2023		31st March 2022	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.5% movement)	19.97	59.87	47.64	56.35
Rate of salary increase (0.5% movement)	39.51	50.04	55.75	17.71
Rate of employee turnover (10% movement)	48.59	61.66	41.22	35.98

Although the analysis does not take account of the full distribution of cash flows reported under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



**Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)**

(All Amounts are ₹ in Millions unless otherwise stated)

Notes to standalone financial statements

**Note 37 : Related Party Disclosure**

Disclosures as required by the Indian Accounting Standard 24 (Ind AS 24) on "Related Party Disclosures" are given below:

Related party relationships, transactions and balances (as identified by the management)

**A. Nature of relationship**

**Holding Company**

Krystal Family Holding Private Limited

**Subsidiaries**

Flame Facilities Private Limited

Krystal Gourmet Private Limited

**Joint Ventures**

Krystal Aquachem JV

**Enterprises over which Key Management Personnel and their relatives exercise significant influences or control with whom transaction**

Krystal Aviation Services Private Limited

UR De? Private Limited

Walkara Techno Solutions Private Limited (Formerly : Krystal Techno Engineering services Private Limited)

Krystal Allied Services Private Limited

Navagunjara Financial Pvt Ltd

Shoubham One Vision Private Limited

Healthlog Services and Applications

Healthlog & Care Services LLP

Mumbai District Central Co-operative Bank Ltd.

**Key Management Personnel**

Mrs. Neeta Lad

Mr. Pravin Lad

Mr. Sanjay Dighe

Ms. Sally Lad

Mr. Shubham Lad

**Relative of Key Management Personnel**

Mr. Prasad Lad

Mr. Prasad Lad HUF

Mrs. Surekha Lad



Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)

(All Amounts are ₹ In Millions unless otherwise stated)

Notes to standalone financial statements

Note 37 : Related Party Disclosure (Contd.)

B. Transactions and closing balance with the Related Parties are as under:

Sr. No	Particulars	2022-23	2021-22
1	<b>Sale of Service</b>		
	- Volkara Techno Solutions Private Limited	-	5.46
	- Krystal Allied Services Private Limited	26.49	13.98
	- Krystal Aviation Services Private Limited	9.88	-
	- Krystal Aquachem IV	81.73	63.60
2	<b>Interest Income</b>		
	- Flame Facilities Private Limited	2.46	0.67
	- Krystal Gourmet Private Limited	0.52	0.19
3	<b>Rent expense paid to</b>		
	- Neeta Lad	2.52	2.52
	- Prasad Lad	2.52	2.52
	- Prasad Lad HUF	0.43	0.43
4	<b>Catering Cost paid to</b>		
	- Krystal Gourmet Private Limited	1.58	1.34
5	<b>Professional fees paid to</b>		
	- Volkara Techno Solutions Private Limited (Formerly : Krystal Techno Engineering services Private Limited)	-	8.21
	- Krystal Family Holding Private Limited	0.56	1.13
	- Saily Lad	1.67	1.33
6	<b>Site expenses</b>		
	- Volkara Techno Solutions Private Limited (Formerly : Krystal Techno Engineering services Private Limited)	-	67.23
7	<b>Manpower expenses</b>		
	- Krystal Aviation Services Private Limited	7.89	6.07
8	<b>Cleaning charges</b>		
	- Krystal Allied Services Private Limited	0.08	-
9	<b>Interest expenses</b>		
	- Mumbai District Central Co-operative Bank Ltd. (Overdraft 1)	9.27	6.08
	- Mumbai District Central Co-operative Bank Ltd. (Overdraft 2)	12.72	12.75
	- Mumbai District Central Co-operative Bank Ltd. (Covid Funding)	0.73	2.31
	- Mumbai District Central Co-operative Bank Ltd. (Term Loan)	18.54	22.22
	- Navagunjara Financial Pvt Ltd.	1.45	-



10	Remuneration		
	- Prasad Mitesh Lad	59.63	42.59
	- Neeta Lad	25.13	20.10
	- Praveen Lad	9.46	7.47
	- Sanjay Diphe	20.86	9.96
	- Shubham Lad	4.95	7.90
	- Surekha Lad	2.26	1.81
	- Shalini Agrawal	0.35	0.32
11	Loan Given		
	- Flame Facilities Private Limited	251.10	36.93
	- Krystal Allied Services Private Limited	32.59	-
	- Krystal Gourmet Private Limited	32.45	20.03
12	Loan Received back		
	- Flame Facilities Private Limited	40.63	34.88
	- Krystal Gourmet Private Limited	36.92	12.60
13	Other Payables		
	- Volksara Techno Solutions Private Limited	39.22	-
14	Loan taken		
	- Krystal Family Holding Private Limited	-	46.10
	- Krystal Aviation Services Private Limited	-	4.29
	- Navagunjara Financial Pvt Ltd	139.25	29.55
	- Neeta Lad	18.30	2.00
	- Sally Lad	-	3.23
	- Shubham Lad	-	2.00
	- Prasad Lad	-	21.00
15	Reimbursement of expenses		
	- Prasad Lad	0.35	-
	- Neeta Lad	0.35	-
	- Volksara Techno Solutions Private Limited (Refer note 43)	52.87	-
16	Loan repaid		
	- Krystal Family Holding Private Limited	-	46.10
	- Krystal Aviation Services Private Limited	-	4.29
	- Navagunjara Financial Pvt Ltd	43.48	29.55
	- Neeta Lad	10.55	2.00
	- Sally Lad	-	3.23
	- Shubham Lad	-	2.00
	- Prasad Lad	23.23	21.00
	Balance outstanding at the end of year:		
1	Loan Given		
	- Flame Facilities Private Limited	220.60	10.13
	- Krystal Gourmet Private Limited	12.97	7.43
	- Krystal Allied Services Private Limited	32.59	-
2	Loan Taken		
	- Navagunjara Financial Pvt Ltd	98.84	-
	- Mumbai District Central Co-operative Bank Ltd.	150.34	186.28
3	Investment in Subsidiary/JV		
	- Krystal Aquachem JV	8.85	1.48
	- Mumbai District Central Co-operative Bank Ltd.	13.88	11.13



4	Account Payable		
	- Volkara Techno Solutions Private Limited	-	18.65
	- Krystal Aviation Services Private Limited	3.37	2.61
	- Krystal Gourmet Private Limited	0.22	0.14
	- Krystal Family Holding Private Limited	0.49	0.81
	- Mumbai District Co-operative Bank(Overdraft-1)-Sanctioned Amount- 160 millions	(5.28)	(21.37)
	- Mumbai District Co-operative Bank(Overdraft-2)-Sanctioned Amount- 120 millions	127.48	45.36
	- Mumbai District Co-operative Bank(Covid Funding)-Sanctioned Amount- 25 millions	-	12.63
	- Prasad Lad	4.40	25.24
	- Neeta Lad	1.11	11.51
	- Saily Lad	0.40	0.30
	- Prasad Lad FUF	0.03	-
	- Praveen Lad	0.55	0.46
	- Sanjay Dhige	0.55	0.51
	- Shubham Lad	0.29	0.12
	- Surekha Lad	0.13	0.13
	- Shalini Agrawal	0.03	0.03
5	Account Receivables		
	- Krystal Allied Services Private Limited	7.67	4.13
	- Krystal Aquachem JV	28.37	26.02

**Notes**

1 Transactions shown above are excluding GST, if any.

2 Management remuneration excludes provision for Gratuity since it is provided on actuarial basis for the company as a whole.



Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)

(All Amounts are ₹ in Millions unless otherwise stated)

Notes to Standalone Financial statements

Note 33 - Disclosure under Ind AS 115 - Revenue from contracts with customers

The Company is engaged into manpower and related service. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

The following table presents the disaggregated revenue from contracts with customers:

Sales by type of service

Particulars	31st March 2023	31st March 2022
Integrated Facility Management Services*	4,192.98	3,167.89
Staffing and Payroll Management	1,760.15	1,456.12
Private Security and Man guarding	901.92	758.41
Total	6,855.05	5,382.42

\*SITC included in Integrated Facility Management Services

Sales by performance obligations

Particulars	Manpower and related Service	
	31st March 2023	31st March 2022
Revenue by time of recognition		
At a point in time	91.73	95.67
Over the period of time	6,773.32	5,331.82
Total Revenue	6,855.05	5,382.42
Revenue by geographical market		
India*	6,855.05	5,382.42
	6,855.05	5,382.42

\*Company operates into single geographical market, i.e. India

Reconciliation of revenue from contract with customer

Particulars	Manpower and related Service	
	31st March 2023	31st March 2022
Revenue from contract with customer as per the contract price	6,855.05	5,382.42
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	-	-
b) Sales Returns / Credits / Reversals	-	-
Revenue from contract with customer	6,855.05	5,382.42

Contract balances:

The following table provides information about category of trade receivables:

Particulars	31st March 2023	31st March 2022	1st April 2021
Billed	692.57	1,557.20	1,381.71
Unbilled	759.67	803.73	594.91
Total	1,452.24	2,360.93	1,976.62

The following table provides information about unbilled revenue from contract with customers

Particulars	31st March 2023	31st March 2022
Balance as at the beginning of the year	803.73	594.91
Add: Revenue recognised during the year	675.23	442.22
Less: Invoiced during the year	(718.86)	(292.89)
Less: Loss allowance recognised during the year	(0.41)	(0.11)
Balance as at the end of the year	759.67	803.73

Contract liabilities

Advance collections are recognised when payment is received before the related performance obligation is satisfied.

This includes advances received from the customer towards sale of goods. Revenue is recognised once the performance obligation is met i.e. upon transfer of control of promised goods to customers.

Movements in Contract liabilities

Particulars	31st March 2023	31st March 2022	1st April 2021
Opening contract liabilities	17.87	3.59	5.36
Less: amount recognised in revenue	(19.24)	(13.17)	(5.06)
Add: amount received in advance during the year	0.52	19.45	3.28
Closing contract liabilities	2.44	19.87	3.59

