Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to standalone financial statements

Note 39 : Leases

The Company's lease asset primarily consist of leases for buildings and Plant & Machinery having various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Following is carrying value of right of use assets and the movements thereof :
Right-of-use assets

Description	**For the year ended**		
	31st March 2023	**31st March 2022**	**1st April 2021**
	Building		
Opening Gross Block	**45.26**	**44.52**	**20.00**
Addition	16.60	0.74	24.52
Deletion	-6.16	-	-
Closing Gross Block	**55.70**	**45.26**	**44.52**
Opening Accumulated amortisation	**30.84**	**14.58**	**9.59**
Addition	10.67	16.26	4.99
Deletion	-1.01	-	-
Closing Accumulated amortisation	**40.50**	**30.84**	**14.58**
Net Block as on	**15.20**	**14.42**	**29.94**

Following is carrying value of Lease Liability and the movements thereof :
Lease Liability

Description	**For the year ended**		
	31st March 2023	31st March 2022	1st April 2021
	Building		
Opening Balance	**14.08**	**28.53**	**17.40**
Addition	15.41	0.74	24.52
Interest Cost accrued during the year	1.92	2.39	2.28
Lease liability payment	(8.24)	(17.57)	(15.67)
Deletion	(6.16)	-	-
Closing Balance	**17.01**	**14.09**	**28.53**
Current lease liability	6.80	9.72	13.43
Non - Current lease liability	10.21	4.37	15.09
Total lease liability	**17.01**	**14.09**	**28.52**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	**For the year ended**		
	31st March 2023	**31st March 2022**	**1st April 2021**
Not later than one year	5.62	9.71	13.43
Later than one year and not later than five years	1.56	5.67	14.87
Later than five years	-	-	-

MUMBAI CHARTERED ACCOUNTANTS

KRYSTAL INTEGRATED SERVICES LTD. MUMBAI

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to standalone financial statements

Note 40 : Tax expense

(a) Amounts recognised in profit and loss

	For the year ended		
	31st March 2023	31st March 2022	1st April 2021
Current income tax	70.23	64.20	49.14
Changes in tax estimates of prior years	-	-	-
Deferred income tax liability / (asset), net			
Origination and reversal of temporary differences	(27.07)	26.16	4.36
Change in tax rate	7.27	(7.73)	-
Deferred tax expense	(19.80)	18.43	4.36
Tax expense for the year	50.40	82.66	53.50

(b) Amounts recognised in other comprehensive income

	For the year ended 31st March 2023			For the year ended 31st March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	3.54	(1.03)	2.51	20.88	(6.08)	14.80
	3.54	(1.03)	2.51	20.88	(6.08)	14.80

(c) Reconciliation of effective tax rate

	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
Profit before tax	432.45	342.87	272.91
Statutory income tax rate	29.12%	29.12%	29.12%
Tax using the Company's domestic tax rate	125.93	99.84	79.47
Tax effect of:			
Non-deductible tax expenses	223.45	330.13	378.33
80JJA Tax (utilised) / Incentive	(414.47)	(436.17)	(302.61)
Others	115.45	88.86	(101.69)
	50.40	82.66	53.50
Effective Rate of Income Tax	11.65%	24.11%	19.60%

(d) Movement in deferred tax balances

	Net balance 1st April 2022	Recognised in profit or loss	Recognised in OCI	31st March 2023	
				Net	Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	15.45	(4.57)	-	10.88	10.88
Security deposits	(0.35)	(0.24)	-	(0.59)	(0.59)
Compensated absences, gratuity and equity valuation	16.29	3.48	(1.03)	18.74	18.74
Trade receivables	20.65	21.02	-	41.67	41.67
Other current liabilities & borrowings	(0.06)	0.11	-	0.05	0.05
Tax assets (Liabilities) (net)	51.98	19.80	(1.03)	70.76	70.76

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to standalone financial statements

(e) Movement in deferred tax balances

	Net balance 1st April 2021	Recognised in profit or loss	Recognised in OCI	31st March 2022 Net	31st March 2022 Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	11.28	4.17	-	15.45	15.45
Security deposits	(0.20)	(0.15)	-	(0.35)	(0.35)
Compensated absences, gratuity and other benefits	5.17	17.20	(6.08)	16.29	16.29
Trade receivables	60.42	(39.77)	-	20.65	20.65
Other current liabilities & borrowings	(0.18)	0.12	-	(0.06)	(0.06)
Tax assets (Liabilities) (net)	76.49	(18.43)	(6.08)	51.98	51.98

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Tax losses for which no deferred tax asset was recognised
In respect of capital loss :

	31st March 2023	31st March 2022	1st April 2021
	-	-	-

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Mumbai
Chartered Accountants

Krystal Integrated Services Ltd
Mumbai

Krystal Integrated Services Limited (formerly known as Krystal Integrated Services Private Limited)
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Annexure to Restated Consolidated Financial Statements

Note 45: Disclosures on financial instruments
Financial instruments – Fair values and risk management

A. Accounting classification and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31st March 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents	-	-	186.07	186.07	-	-	186.07	186.07
Investments	-	-	40.03	40.03	-	-	40.03	40.03
Non Current Financial Assets	-	-	392.40	392.40	-	-	392.40	392.40
Trade receivables	-	-	1,452.13	1,452.13	-	-	1,452.13	1,452.13
Current Financial Assets - Loans	-	-	276.36	276.36	-	-	276.36	276.36
Other financial assets	-	-	30.35	30.35	-	-	30.35	30.35
	-	-	2,377.24	2,377.24	-	-	2,377.24	2,377.24
Financial liabilities								
Non Current Borrowings	-	-	196.90	196.90	-	-	196.90	196.90
Current borrowings	-	-	282.35	282.35	-	-	282.35	282.35
Lease liabilities	-	-	17.01	17.01	-	-	17.01	17.01
Trade payables	-	-	139.55	139.55	-	-	139.55	139.55
Other financial liabilities	-	-	540.58	540.58	-	-	540.58	540.58
	-	-	1,176.59	1,176.59	-	-	1,176.59	1,176.59

31st March 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents	-	-	224.57	224.57	-	-	224.57	224.57
Investments	-	-	29.94	29.94	-	-	29.94	29.94
Non-current financial assets	-	-	212.06	212.06	-	-	212.06	212.06
Trade receivables	-	-	2,360.94	2,360.94	-	-	2,360.94	2,360.94
Current financial assets - Loans	-	-	37.56	37.56	-	-	37.56	37.56
Other financial assets	-	-	17.83	17.83	-	-	17.83	17.83
	-	-	2,882.90	2,882.90	-	-	2,882.90	2,882.90
Financial liabilities								
Non Current Borrowings	-	-	288.03	288.03	-	-	288.03	288.03
Current borrowings	-	-	437.22	437.22	-	-	437.22	437.22
Lease liabilities	-	-	14.08	14.08	-	-	14.08	14.08
Trade payables	-	-	479.89	479.89	-	-	479.89	479.89
Other financial liabilities	-	-	585.72	585.72	-	-	585.72	585.72
	-	-	1,804.94	1,804.94	-	-	1,804.94	1,804.94

1st April 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents	-	-	215.28	215.28	-	-	215.28	215.28
Investments	-	-	27.09	27.09	-	-	27.09	27.09
Non Current Financial Assets	-	-	57.82	57.82	-	-	57.82	57.82
Trade receivables	-	-	1,976.62	1,976.62	-	-	1,976.62	1,976.62
Current Financial Assets - Loans	-	-	8.76	8.76	-	-	8.76	8.76
Other financial assets	-	-	45.58	45.58	-	-	45.58	45.58
	-	-	2,331.15	2,331.15	-	-	2,331.15	2,331.15
Financial liabilities								
Non Current Borrowings	-	-	269.08	269.08	-	-	269.08	269.08
Current borrowings	-	-	383.68	383.68	-	-	383.68	383.68
Lease liabilities	-	-	28.52	28.52	-	-	28.52	28.52
Trade payables	-	-	360.66	360.66	-	-	360.66	360.66
Other financial liabilities	-	-	555.54	555.54	-	-	555.54	555.54
	-	-	1,597.48	1,597.48	-	-	1,597.48	1,597.48

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Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to standalone financial statements

NOTE 41 : Disclosures on financial instruments
Financial instruments – Fair values and risk management

B. Measurement of fair values (Key inputs for valuation techniques) :
1. Listed Equity Instruments (other than Subsidiaries and Joint Ventures) - Quoted bid price in an active market (Level 1)
2. Valuation techniques and significant unobservable inputs: Not applicable (Level 3)

C. Transfers between Levels 1 and 2
There were no transfers from Level 1 to Level 2 or vice versa in any of the reporting periods.

D. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

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

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

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

The carrying amount of following financial assets represents the maximum credit exposure:
Trade and other receivables
Trade receivables as on 31 March 2023 is ₹ 1452.24 (31 March 2022: ₹ 2360.54). The Company has disclosed concentration of customer under Segment reporting in Consolidated Financial Statement.
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available and in some cases bank references. Sale limits are established for each customer.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables in accordance with the requirements of Ind AS 109.

At the reporting date, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount		
	31st March 2023	31st March 2022	1st April 2021
India	1,452.23	2,360.54	1,976.63
Other regions*	-	-	-
	1,452.23	2,360.54	1,976.63

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk conducted by management.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	31st March 2023	31st March 2022	1st April 2021
Opening balance	368.51	374.59	45.35
Provision for receivables impairment	1.74	(6.08)	329.24
Closing balance	370.25	368.51	374.59

(All Amounts are ₹ in Millions unless otherwise stated)

Note 43 : Disclosures on Financial Instruments
Financial instruments – Fair values and risk management

Cash and cash equivalents
- The Company's exposure to Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Derivatives
The derivatives deals are done with AD category banks in OTC market and registered brokers in ETD market.

III. Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses product based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31st March 2023

	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-Current Borrowings	196.50		193.50	-	-
Current borrowings	263.15	387.15	-	-	
Lease liabilities	17.03	6.90	10.13	-	
Trade payables	335.55	335.55		-	-
Other financial liabilities	540.98	540.98	-	-	-

31st March 2022

	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-Current Borrowings	288.03	-	288.03	-	
Current borrowings	437.22	437.22	-	-	-
Lease liabilities	14.03	9.71	4.32	-	-
Trade payables	475.89	475.89	-	-	
Other financial liabilities	585.72	585.72	-	-	

1st April 2021

	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-Current Borrowings	265.03	-	265.03		-
Current borrowings	383.08	383.08	-	-	-
Lease liabilities	78.52	13.41	35.09	-	-
Trade payables	360.66	360.66	-	-	
Other financial liabilities	577.54	577.54	-	-	

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its borrowings, Trade payable, other payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing finacial instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing financial instruments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings and fixed income financial instruments. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

	31st March 2023	31st March 2022	1st April 2021
Fixed-rate instruments			
Financial assets	637.11	355.16	258.65
Financial liabilities	229.18	434.04	303.48
	407.84	(78.88)	(44.83)
Variable-rate instruments			
Financial assets	42.60	-	0.68
Financial Liabilities	204.77	246.54	306.78
	(162.18)	(246.54)	(306.10)
Total	245.66	(325.42)	(350.92)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in millions	Profit or (loss) before tax	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
31st March 2023		
Variable-rate instruments	2.05	(2.05)
Cash flow sensitivity (net)	2.05	(2.05)
31st March 2022		
Variable-rate instruments	2.47	(2.47)
Cash flow sensitivity (net)	2.47	(2.47)

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Note - 47

Other Statutory Information

(i) The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The company does not have any transactions with companies struck off.

(iii) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.

(iv) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

(ix) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

Note - 48

Maintenance of Books of Accounts under Section 128 of the Companies Act, 2013

The Company has defined process to take daily back-up of books of account maintained electronically and complied with the provisions of The Companies (Accounts) Rules, 2014 (as amended). However, the company as a policy, has maintained logs of the daily back-up of such books of account only for 10 days and hence audit trail in relation to daily backup taken was not available for full year.

Note - 49

In the opinion of the management, the current assets, loan and advances and current liabilities are approximately of the value stated, if realised / paid in ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note - 50

Balances of advances, deposits, trade receivables, trade payables and other debit and credit balances are subject to confirmation and reconciliation in certain cases. Adjustments, if any, in this regard would be carried out as and when ascertained, which in view of the management would not be material.

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to standalone financial statements

Note - 52

Subsequent events

The Board of Directors in its meeting dated 26th September 2023 approved issue of 1 bonus equity share for each equity share held by respective shareholder as on record date, subject to approval by shareholders.

Note - 53

Previous years figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached.

For T R Chadha & Co. LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

Alka Hinge
Partner
Membership No. 104574
Mumbai
Date: 26/9/2023

For and on behalf of the Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private Limited)

Neeta Lad
Managing Director
(DIN-01122234)

Sanjay Dighe
Whole Time Director and CEO
(DIN-02042603)

Barun Dey
Chief Financial Officer

Stuti Maru
Company Secretary and Compliance Officer

Place : Mumbai
Date :

Membership No.: A46257

(All Amounts are ₹ In Millions unless otherwise stated)

Note 42 : Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31st March 2023, 31st March 2022 and 1st April 2021 was as follows.

Particulars	31st March 2023	31st March 2022	1st April 2021
Long term borrowings	196.90	288.03	269.08
Short term Borrowings	282.15	437.22	383.68
Lease liabilities (current and non-current)	17.01	14.08	28.52
Less : Cash and cash equivalent including bank balances other than cash and cash equivalents	498.54	345.59	259.65
Adjusted net debt	(2.48)	393.74	421.63
Total equity	1,604.15	1,611.70	1,336.69
Adjusted equity	1,604.15	1,611.70	1,336.69
Adjusted net debt to adjusted equity ratio	(0.00)	0.24	0.32

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like Interest coverage service ratio, Debt to EBITDA etc. which is maintained by the Company.

The Company has undrawn borrowing facilities (excluding non-fund based facilities) aggregating to ₹ 21.7 Millions (31st March 2022 : ₹ 330 Millions).

(All amounts are ₹ in Millions unless otherwise stated)

Note 43 - Scheme of Arrangement
Demerger as per Scheme of Arrangement of Krystal Integrated Services Private Limited and Vakrangee Techno Solutions Private Limited and their respective Shareholders and Creditors

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai, on June 30, 2022, sanctioned the Scheme of Arrangement ("Scheme") between Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ("Company" or "KISPL") and Volksara Techno Solutions Private Limited ("Resulting Company" or "Volksara") and their respective shareholders and creditors for the demerger of the Smart City units (collectively referred to as "Demerged Undertaking") of the Company to Volksara. The Scheme became effective on July 19, 2022, upon filing of the certified copies of the NCLT Order sanctioning the Scheme, by both the companies, with the Registrar of Companies, Mumbai. Pursuant to the Scheme becoming effective, the Demerged Undertaking has been transferred to and vested in Volksara with effect from April 1, 2020, i.e. the Appointed Date.

As per the clarification issued by Ministry of Corporate Affairs vide Circular no.09/2019 dated August 21, 2019 ("MCA Circular"), the Company has recognized the effect of the demerger on April 1, 2021, and made the following adjustments, pursuant to the Scheme:

All the assets and liabilities of the Demerged Undertaking have been transferred to Volksara. Difference between the value of transferred assets and liabilities pertaining to the demerged undertaking amounting to 392.13 Mn has been adjusted from the reserves.

Further, the standalone statement of profit and loss for the year ended March 31, 2022 and March 31, 2021 have been recasted by the management to give effect of the Scheme. The transferred business as defined in the Scheme have been disclosed as "Discontinued Operations" in the standalone financial statements for the year ended March 31, 2022 and March 31, 2021 as per the requirements of Ind AS 105 (refer note 45).

Balance Sheet as at March 31, 2022 and March 31, 2021 and Statement of Cash Flow for the year ended March 31, 2022 and March 31, 2021 are not comparable with the previous year Balance Sheet and Statement of Cash Flow, respectively, since these exclude the Demerged Undertaking's figures.

The transactions pertaining to the transferred business of the Company from the appointed date upto the effective date of the Scheme have been deemed to be made by Volksara.

The Impact of the Demerger on these financial statements is as under:
The whole of the assets and liabilities of the Demerged Undertaking became the assets and liabilities of the resulting Company and were transferred at their book values as per the Order, as appearing in the books of the Company with effect from the appointed date (i.e. April 1, 2020). The details of assets and liabilities transferred to the resulting Company are as under:

Particulars	As at 19th July 2022	As at 31st March 2022	As at 31st March 2021
Non-current assets			
Property, Plant and Equipments			
Property, Plant and Equipment	0.22	0.23	0.19
Intangible assets	0.01	0.01	0.02
Financial Assets			
(a) Other financial assets	10.99	3.83	(6.56)
Total non-current assets	11.22	4.06	(6.35)
Current assets			
Inventories	54.73	35.15	18.30
Financial Assets			
(a) Trade receivables	435.00	617.67	367.12
(b) Other financial assets	73.95	52.10	44.13
Total current assets	563.68	704.92	426.42
Total Assets	574.90	708.97	418.07
Less			
Non-current liabilities			
Borrowings	46.31	80.77	-
Current liabilities			
Borrowings	0.00	20.09	-
Financial liabilities			
(a) Trade Payables			
Outstanding dues to MSME	-	-	4.27
Outstanding dues other than MSME	106.31	185.81	173.32
Other Current Liabilities	30.45	61.45	(52.07)
Total Liabilities	182.77	348.05	125.52
Net Assets	392.13	360.92	292.55

Adjustment to Reserves

Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the resulting Company has been debited to the following reserves of the Company as the Appointed date i.e April 01,2020

Particulars	Amount Debited(Mn)
Balance transferred pursuant to scheme of arrangement (refer note (i) below)	392.13
Total	391.13

Note (i)

The Smart City Business of the Company has been demerged and transferred to Vaksana Techno Solutions Private Limited with effect from 10th July' 2022 (appointed date) as per the National Company Law Tribunal, Mumbai Bench Order dated 20th June 2022. The invoicing of such business has been continued in the Company (Demerged Business) in trustee capacity as per the [illegible] mandate of the Customers even after Appointed date on behalf of the Vaksana Techno Solutions Private limited. The Income / expenses relating to the same has however been transferred to the resulting company by Demerged company and hence there is no impact in the books of accounts of the company.

Details of the contingent liabilities and commitments transferred to the Resulting Company are as under.

Particulars

Nil

T R Chadha & Co LLP
Mumbai
[illegible]

Krystal Integrated Services Ltd.
Mumbai

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to standalone financial statements

Note 43
Discontinued Operations
Financial information relating to the discontinued operations i.e. transferred businesses of the Company to the resulting Company as defined in the Scheme for the period to the appointed date is set out below:

Statement of Profit and Loss

Particulars	For the year ended 31st March 2022
Income	
Revenue from operations	941.87
Other Income	0.65
Total Income	**942.52**
Expenses	
Cost of materials consumed	776.30
Employee benefit expense	25.24
Finance costs	22.56
Depreciation and amortization expenses	0.07
Other expenses	44.00
Total Expenses	**869.17**
Profit / (loss) before exceptional items and tax	73.35
Exceptional Items	-
Profit / (loss) before tax	73.35
Tax expense:	
Current tax	20.20
Deferred tax	-
Total Tax Expenses	20.20
Profit for the year	53.15
Other Comprehensive Income	
(i) Items that will not be reclassified to profit or loss	
(ii) Deferred tax relating to items that will not be reclassified to profit or loss	
Other Comprehensive Income to be transferred to Other Equity for the year	-
Total Comprehensive Income for the year	53.15

The net cash flows attributable to the discontinued operations are as follows

Particulars	31st March 2022
Net cash inflow from operating activities	
Net cash inflow from investing activities	
Net cash inflow from financing activities	
Net (decrease)/increase in cash and cash equivalents	-
Cash and cash equivalents as at beginning of the year	
Cash and cash equivalents as at end of the year	

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Notes to standalone financial statements

Note 44
First-time Ind AS adoption reconciliation

Reconciliation of total equity as at 31 March 2022 and 31 March 2021 and profit or loss for the year ended 31 March 2022:

Particulars	Note No.	Total comprehensive income reconciliation for the year ended	Equity Reconciliation as at	
		31st March 2022	31st March 2022	1st April 2021
Net profit / equity as per previous GAAP		272.88	1,644.08	1,371.20
IndAS Adjustments:				
Expected Credit Loss	a	17.24	(122.84)	(140.08)
Lease Liability	b	(1.08)	(2.41)	(1.33)
Finance Income	c	0.63	0.63	-
Loan processing fees / transaction costs	d	(0.23)	0.18	0.51
Deferred Tax	e	(14.24)	34.42	48.76
Total		2.13	(90.02)	(92.14)
Net profit / Equity for the year as per Ind AS		275.01	1,554.06	1,279.06
Other comprehensive income (net of tax)	f	(14.80)	-	-
Net profit before OCI / Other equity as per Ind AS		260.21	1,554.06	1,279.06

Notes :

a Expected Credit Loss on Financial Assets
Under Previous GAAP the Company had created provision for impairment of receivables consisting only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model.

b Interest expense on lease liability
Under previous GAAP, lessee classified a lease as an operating lease or a finance lease based on whether or not the lease transferred substantially all the risk and rewards incident to the ownership of the asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

c Finance Income
Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognised as part of the Right of Use Asset and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

d Loan processing fees / transaction costs
Under Ind AS such expenditure are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

e Deferred Tax
Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

f Defined Benefit Obligation :
Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost including actuarial gains and losses are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised in Other Comprehensive Income (OCI).

T R Chadha & Co LLP Chartered Accountants Mumbai

Krystal Integrated Services Ltd. Mumbai

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(All Amounts are ₹ in Millions unless otherwise stated)
Notes to standalone financial statements

Note 45 - Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities*	31st March 2023	31st March 2022	1st April 2021
Demands raised by Income tax authorities**	203.14	39.79	39.79
Provident fund - Damages and interest	142.37	63.34	63.94
Interest liability on GST/Service Tax	31.49	-	-
Claims against the company not acknowledged as Debts	-	-	-

** Out of above, Company has already deposited Rs 40 Lakhs (Previous Year 40 Lakhs) with the Income tax authorities.

The Management is of the view that it has valid grounds to defend the demand raised by Provident Fund Department for Damages and Interest Liabilities and consequently no effect was given in the accounts

c. Commitments	31st March 2023	31st March 2022	1st April 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. Based on the opinion received, the company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position

Note 46
Segment information
The Company is required to disclose segment information based on the 'management approach' as defined in Ind AS 108 - Operating Segments, which is how the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on the analysis of the various performance indicators. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of rendering security services in India. Accordingly, the Company is a single CGU, hence single segment Company. The information as required under Ind AS 108 is available directly from the financial statements, hence no separate disclosures have been made

(All Amounts are ₹ in Millions unless otherwise stated)

Note 31

Ratio analysis and its elements

(i) Current Ratio = Current Assets divided by Current Liabilities

	Particulars	31st March 2023	31st March 2022
A	Current Assets	2,008.34	2,810.01
B	Current Liabilities	1,540.69	2,054.41
	Ratio (A/B)	1.30	1.37
	% change from previous year	-4.70%	-2.49%

(ii) Debt Equity Ratio = Total Debt divided by Total Equity

	Particulars	31st March 2023	31st March 2022
A	Total Debt*	496.06	733.33
B	Total Equity	1,604.35	1,611.70
	Ratio (A/B)	0.31	0.46
	% change from previous year	-32.59%	-10.00%

* It includes current and non-current Borrowings and Lease Liabilities.

Reason for change more than 25%: Variances is mainly due to following reasons-
- Fresh Loan taken during the year however, Repayment of borrowings is comparatively high as per the sanction terms
- Better collection towards the end of year which is routed through Cash Credit account
- Transfer of loans related to Demerged Business(Smart City)

(iii) Debt service coverage ratio = Earnings available for debt services divided by total interest and principal repayments

	Particulars	31st March 2023	31st March 2022
A	Earnings available for debt services	527.22	430.62
B	Total interest and principal repayments*	154.53	295.99
	Ratio (A/B)	3.41	1.45
	% change from previous year	134.51%	-35.14%

* It includes Finance cost, Principal repayment of long term loans and Lease payments.

Reason for change more than 25%;
Finance cost increased due to increase in bank guarantee commission and increased loan processing charges on fresh loans taken.

(iv) Return on equity ratio = Net profit after tax divided by Average Equity

	Particulars	31st March 2023	31st March 2022
A	Profit after tax (attributable to owners)	382.06	260.21
B	Average net worth	1,658.48	1,512.66
	Ratio (A/B)	23.04%	17.20%
	% change from previous year	33.92%	0.09%

Reason for change more than 25%:
For the year ended 31st March 2023 and 31st March 2022: The Group's overall business have improved which has resulted in increase in PAT

(v) Inventory Turnover Ratio = Cost of Material Consumed divided by Average Inventory

	Particulars	31st March 2023	31st March 2022
A	Cost of Material Consumed	263.35	206.85
B	Average inventory	31.68	40.33
	Ratio (A/B)	8.31	5.13
	% change from previous year	62.06%	-38.49%

Reason for change more than 25%:
For the year ended 31st March 2023: Reduction in inventory due to transfer of inventory related to Demerged Business(Smart City).
For the year ended 31st March 2022: Company has taken up "Odisa Smart city Project" in which inventory holding period is longer when compared to that of previous year's inventory holding period, leading to decrease in inventory turnover ratio.

(vi) Trade receivable turnover ratio = Revenue From Operation divided by Average Trade Receivables

	Particulars	31st March 2023	31st March 2022
A	Revenue from operation	6,855.05	5,382.41
B	Average trade receivables	1,906.59	2,168.78
	Ratio (A/B)	3.60	2.48
	% change from previous year	44.87%	8.48%

Reason for change more than 25%:
The variance is owing to better recoverability and transfer of receivables of smart city business.

(vii) Trade payable turnover ratio = Cost of Material Consumed divided by Average Trade Payable

	Particulars	31st March 2023	31st March 2022
A	Cost of material consumed	263.35	206.85
B	Average trade payable	309.72	420.27
	Ratio (A/B)	0.85	0.49
	% change from previous year	72.76%	26.28%

Reason for change more than 25%:
For the year ended 31st March 2023: The variance is owing to transfer of payables related to Demerged business (Smart City)
For the year ended 31st March 2022: Ratio increase due to increased cost of material and reduction in trade payable

(viii) **Net Capital Turnover Ratio = Revenue From Operation divided by Average Working Capital**

	Particulars	31st March 2023	31st March 2022
A	Revenue from operation	6,855.06	5,382.42
B	Current assets	2,008.34	2,810.01
C	Current liabilities	1,540.69	2,054.41
D	Net working capital (D = B - C)	467.65	755.60
E	Average working capital	611.62	720.24
	Ratio (A/E)	11.21	7.47
	% change from previous year	49.98%	-11.79%

Reason for change more than 25%:
Overall increase is on account of increased revenue from operations

(ix) **Net Profit Ratio = Profit After Tax divided by Revenue From Operation**

	Particulars	31st March 2023	31st March 2022
A	Profit after tax	382.06	260.21
B	Revenue from operation	6,855.06	5,382.42
	Ratio (A/B)	5.57%	4.83%
	% change from previous year	15.28%	1.46%

Reason for change more than 25%.
The variance is mainly due to IND AS adjustment owing to Expected credit loss on Trade Receivables.

(x) **Return on capital employed = Earning Before Interest & Tax divided by Average Capital Employed**

	Particulars	31st March 2023	31st March 2022
A	Tangible Net Worth*	1,555.27	1,578.66
B	Long term debt**	207.11	292.40
C	Total capital employed (C = A + B)	1,762.38	1,871.07
D	Average capital employed	1,816.72	1,709.74
E	EBIT	527.22	430.57
	Ratio (E/D)	29.02%	25.19%
	% change from previous year	15.22%	5.70%

* Tangible net worth = Net worth (total equity excluding other comprehensive income)- intangible assets- Deferred Tax Assets
** Long term debt = Total Long Term Borrowings + Non current Lease liabilities

Reason for change more than 25%:
The variance is mainly due to IND AS adjustment owing to Expected credit loss on Trade Receivables.

(xi) Return on investment
Return on investment ratio is not applicable for the period of Financial Statement.

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Deferred tax

Deferred tax is provided using the balance sheet approach 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 amounts of income taxes recoverable in future periods in respect of:
a. deductible temporary differences;
b. the carry forward of unused tax losses; and
c. the carry forward of unused tax credits.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

2.15 Revenue recognition

The Company derives revenue primarily from manpower services comprising of facility management services, security services and other manpower based services.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The contract with customer for staffing services generally contains a single performance obligation and revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company's contracts may include variable consideration including [illegible] and penalties which are reduced from revenues and recognised based on an estimate of the expected amount relating to these considerations.

Revenue from manpower services is recognised over time as the customer simultaneously receives and consumes the benefits as the Company performs, either based on cost plus service fee or fixed fee model.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor and has pricing latitude along with exposure to risks before transferring products and services to the customer.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of invoicing are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time. Unbilled revenues are classified as contract assets when [illegible]. Invoicing in excess of revenues are classified as unearned revenue.

Other income

Other income comprises primarily interest income on deposits, dividend income, and gain / (loss) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive the payment is established.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.17 Employee Benefits

A. Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short term employee benefits are measured on an undiscounted basis as the related service is provided.

X

i. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined based on actuarial valuation performed by an independent actuary using projected unit credit method.

Accumulated compensation absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits and those expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits.

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Deferred Tax

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

Deferred tax assets are the amounts of income taxes 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 reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

2.15 Revenue recognition

The Company derives revenue primarily from manpower services comprising of facility management service, security service and other manpower based solutions.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition
is postponed until such uncertainty is resolved.

The contract with customer for manpower services generally contains a single performance obligation and revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company's contracts may include variable consideration including discounts and penalties which are estimated from contracts and recognised based on an estimate of the expected result relating to these consideration.

Revenue from manpower services is recognised over time as the customer simultaneously receives and consumes the benefits. The invoicing for these services is either based on cost plus a service fee or fixed fee model.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor and has pricing latitude and also exposed to credit risk before transferring products and services to the customer.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of invoicing are classified as contract asset when the right to consideration is unconditional and is due only after a passage of time. Unbilled revenues are presented under Trade Receivables, while invoicing in excess of revenues are classified as unearned revenue.

Other Income

Other income comprises primarily interest income on deposits, dividend income and gain / (loss) on disposal of tangible assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.16 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.17 Employee Benefits

A Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term employee benefits are measured on an undiscounted basis as the related service is provided.

B Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits and those expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits.

KRYSTAL INTEGRATED SERVICES LTD.
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*

FY 2020-21

Name of Bank	Quarter Ended	Particulars	Displayed in Bank Statements	As per Books of Accounts	Difference	Reason for Material Variances
HDFC Bank State Bank of India Union Bank of India	[illegible]	Inventory Trade Payables Trade Receivables	[illegible]	[illegible]	[illegible]	Note 1
HDFC Bank State Bank of India Union Bank of India	[illegible]	Inventory Trade Payables Trade Receivables	[illegible]	[illegible]	[illegible]	Note 1
HDFC Bank State Bank of India Union Bank of India	[illegible]	Inventory Trade Payables Trade Receivables	[illegible]	[illegible]	[illegible]	Note 1
HDFC Bank State Bank of India Union Bank of India	[illegible]	Inventory Trade Payables Trade Receivables	[illegible]	[illegible]	[illegible]	Note 2

Note 1

[illegible]

Note 2

[illegible]

23 Trade Payables

Particulars	31st March 2023	31st March 2022	31st March 2021
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

Under the Micro, Small and Medium Enterprises Development Act, 2006 [illegible]

Particulars	31st March 2023	31st March 2022	31st March 2021
[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	-	-	-
[illegible]			-
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Trade Payables Ageing

FY 2022-23

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	[illegible]				[illegible]
(ii) Others	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FY 2021-22

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	[illegible]				[illegible]
(ii) Others	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FY 2020-21

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	[illegible]				[illegible]
(ii) Others	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

24 Other Financial Liabilities

Particulars	31st March 2023	31st March 2022	31st March 2021
Security Deposits	[illegible]	[illegible]	[illegible]
Outstanding Liabilities	[illegible]	[illegible]	[illegible]
Other payable [illegible]*	[illegible]	-	-
Total	[illegible]	[illegible]	[illegible]

*[illegible]

25 Other Current Liabilities

Particulars	31st March 2023	31st March 2022	31st March 2021
Advance from customer	[illegible]	[illegible]	[illegible]
Statutory Liabilities	[illegible]	[illegible]	[illegible]
Income tax payable	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

26 Provisions

Particulars	31st March 2023	31st March 2022	31st March 2021
Provision for employee benefits			
Provision for Gratuity	[illegible]	[illegible]	[illegible]
Provision for compensated absences	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

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Independent Auditor's Report

To the Members of
Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Financial Statements of **Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) (the "Holding Company" "Parent Company")** and its subsidiaries and joint venture (the Company, its subsidiaries and joint venture together referred to as **'the Group'**), which comprise the Consolidated Balance Sheet as at March, 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated Financial Statement under the provisions of the Act and the Rules made 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 obtained by us along with the consideration of the Consolidated Financial Statements referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

3. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding

Company's Annual Report but does not include the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs and consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each company and for preventing and detecting frauds and other irregularities; the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, Management and respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Management and Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the financial reporting process of each company.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

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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 Consolidated 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 Consolidated 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 Holding Company and its subsidiary companies which are companies incorporated in India, if any, has internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors 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 Group'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 Consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which we are independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company, 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.

6. Other Matters

a) We did not audit the financial statements of a subsidiary; whose financial statements include total asset of Rs. 2438.27 lakhs, total revenues of Rs. 1178.26 lakhs, total comprehensive income of Rs. 4.68 lakhs and net cash inflow of Rs. 10.87 lakhs for the year ended March 31, 2023, as considered in the Consolidated Financial Statements. The aforesaid financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

b) The consolidated financial statements also include the group's share of net profit after tax of Rs. 3.22 Lakhs for the year ended 31 March 2023, as considered in consolidated financial statement in respect of one joint venture whose financial statement, other financial information have been audited by other auditor and whose report have been furnished to us by the management. Our opinion on consolidated financial statement in so far as it relates to amount and disclosure in respect of this associate and our report in terms of section 143(3) of the Act, and so far, as it relates to the aforesaid associate is based solely on report of the other auditor

Our above opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

7. Report on Other Legal and Regulatory Requirements

a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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b. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on Separate financial statements and other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

  i. We/the other auditors whose report we have relied upon, 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 of the aforesaid Consolidated Financial Statements.

  ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors:

  iii. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including the statement of other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

  iv. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

  v. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

  vi. With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**' which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India.

c. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'other matter' paragraph:

  i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group (refer note 45).

  ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

iv. (a) 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 Holding Company and its Subsidiary Companies incorporated in India 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its Subsidiary Companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiary Companies incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed and information and explanation given, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. During the year the Group has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding company and Subsidiaries only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility is not applicable.

d. 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 Holding Company and its subsidiary which are incorporated in India, 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's Registration No. 006711N/N500028

Alka Hinge
Partner
Membership No. 104574
UDIN: 23104574BGWFPH5865

Place: Mumbai
Date: September 26, 2023

Annexure A to the Independent Auditor's Report of even date

The annexure referred to in Independent Auditors' Report to the member of the Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ("the Company") on the Consolidated Financial Statements for the year ended March 31, 2023, we report that;

With reference to matters specified in clause (xxi) of paragraph (3) and paragraph 4 of Companies (auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the central government in terms of section 143(11) of the Act, according to the information and explanation given to us, and based on CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualification or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except the following:

Name of Company	CIN	Nature of relationship	Clause number of the CARO report which is qualified or adverse
Krystal Gourmet Private Limited	U15400MH2009PTC195359	Subsidiary	-
Flame Facilities Private Limited	U74990MH2008PTC188793	Subsidiary	-

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

Alka Hinge
Partner
Membership No. 104574
UDIN: 23104574BGWFPH5865

Place: Mumbai
Date: September 26, 2023

Annexure B to the Independent Auditor's Report of even date to the member of Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ("the Company") on the Consolidated Financial Statements for the year ended March 31, 2023, we report that;

Report on the Internal Financial Controls with reference to Consolidated Financial Statements, under Clause (i) 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 Consolidated Financial Statements of **Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ('the Holding Company')** and its subsidiary companies, which are companies incorporated in India, as of March 31, 2023, in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

In our opinion, based on the consideration of the reports of the other auditors as referred to in other matters paragraph below, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial control with reference to Consolidated Financial Statements criteria established by the respective Companies 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 Management and Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 respective 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of internal financial controls with reference to Consolidated 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 judgement, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, which are companies incorporate in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

Company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated 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 Consolidated 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to financial statements of a subsidiary company, which is a company incorporated in India, is based on the

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corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

Alka Hinge
Partner
Membership No. 104574
UDIN: 23104574BGWFPH5865

Place: Mumbai
Date: September 26, 2023

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Consolidated Balance sheet as at 31st March 2023

Particulars	Note	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
Assets				
Non-Current Assets				
Property, plant and equipments	3 (a)	282.18	94.71	98.20
Capital work-in-progress	3 (a)	-	600.06	600.06
Right-of-use assets	3 (b)	33.53	14.41	29.95
Intangible assets	4	0.91	1.53	1.43
Financial Assets				
(a) Investments	5	28.95	38.58	14.69
(b) Other financial assets	6	599.80	219.96	50.54
Deferred Tax assets (net)	7	74.50	55.99	80.33
Income tax assets (net)	8	69.86	71.08	52.36
Other non-current assets	9	-	80.57	-
Total Non-Current Assets		1,379.42	1,155.65	936.34
Current Assets				
Inventories	10	6.11	56.81	77.45
Financial Assets				
(a) Trade receivables	11	1,466.09	2,411.60	2,003.43
(b) Cash and cash equivalents	12	57.71	4.20	14.55
(c) Bank Balances other than cash and cash equivalents above	13	97.94	278.74	218.17
(d) Loans	14	293.51	15.72	15.94
(e) Other financial assets	15	42.96	24.49	57.96
Income tax assets (net)	16	15.55	63.57	95.75
Other current assets	17	55.33	73.06	85.11
Total Current Assets		2,055.25	2,888.19	2,448.34
Total Assets		3,434.68	4,043.84	3,384.68
Equity and Liabilities				
Equity				
Equity share capital	18	57.62	57.62	57.62
Other equity	19	1,576.49	1,580.93	1,303.14
Total Equity		1,634.11	1,638.55	1,360.76
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(a) Borrowings	20	197.54	288.16	269.33
(b) Lease liabilities	21	16.45	4.37	15.09
Provisions	22	2.67	2.28	2.40
Total Non-Current Liabilities		216.66	294.81	286.82
Current Liabilities				
Financial Liabilities				
(a) Borrowings	23	222.28	403.31	325.75
(b) Lease liabilities	21	5.21	5.71	15.41
(c) Trade payables:				
a) total outstanding dues of micro enterprises and small enterprises	24	2.56	4.85	5.71
b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	157.83	510.03	272.65
(d) Other financial liabilities	25	565.05	597.92	567.59
Other current liabilities	26	450.78	437.34	290.22
Provisions	27	128.67	111.20	98.72
Total Current Liabilities		1,583.91	2,110.48	1,737.10
Total Liabilities		1,800.57	2,405.29	2,023.92
Total Equity and Liabilities		3,434.68	4,043.84	3,384.68

Significant accounting policies and notes to accounts 1 - 34

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

As per our attached report of even date
T R Chadha & Co LLP
Chartered Accountants
Firm Registration Number : 006711N / N500028

Alka Hingu
Partner
Membership No. 104574
Place: Mumbai
Date: 26/9/2023

For and on behalf of Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private Limited)

Neeta Lad
Managing Director
(DIN 01122234)

Sanjay Digge
Whole Time Director and CFO
(DIN 02042003)

Ratan Dey
Chief Financial Officer

Stuti Maru
Company Secretary and Compliance Officer
Membership No: 46532?

Place: Mumbai
Date

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Consolidated Statement of Profit And Loss for the year ended 31st March 2023

Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
Income			
Revenue from operations	28	7,076.36	5,526.76
Other income	29	33.29	21.81
Total Income		7,109.65	5,548.57
Expenses			
Cost of material and store and spare consumed	30	325.04	242.26
Employee benefit expense	31	5,919.04	4,713.26
Finance costs	32	94.92	87.78
Depreciation and amortisation expense	33	46.57	42.05
Other expenses	34	335.93	191.24
Total Expenses		6,719.50	5,277.51
Restated profit before exceptional items and tax from continuing operations		390.15	271.06
Exceptional items		-	-
Restated profit before tax from continuing operations		390.15	271.06
Tax expense:			
Current tax		72.24	44.66
Deferred tax		(19.79)	18.05
Total Tax Expenses		52.45	62.71
Restated profit for the year from continuing operation after Taxes		337.70	208.35
Restated profit from discontinued operation before Taxes		46.42	73.36
Income tax expense of discontinued operations		-	20.20
Restated profit from discontinued operation (after taxes)		46.42	53.16
Restated profit for the year		384.12	261.51
Share of profit of joint venture		0.31	1.23
Restated profit for the year		384.43	262.74
Restated other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		4.52	21.17
(ii) Deferred tax relating to items that will not be reclassified to profit or loss		(1.29)	(6.12)
		3.23	15.05
Restated total Comprehensive Income for the year		387.66	277.80
Restated profits attributable to :			
Equity holders of the parent		384.43	262.74
Non controlling interests		-	-
Restated total profit for the year		384.43	262.74
Restated other comprehensive income attributable to :			
Equity holders of the parent		3.23	15.05
Non-controlling interests		-	-
Restated total of other comprehensive income for the year		3.23	15.05
Restated total comprehensive income attributable to :			
Equity holders of the parent		387.66	277.80
Non controlling interests		-	-
Restated total comprehensive income for the year		387.66	277.80
Restated earnings per equity share (nominal value ₹ 10/- per share)	35		
Attributable to Equity holders of the parent:			
(a) Basic (in ₹)		33.33	22.59
(b) Diluted (in ₹)		33.33	22.59
Significant accounting policies and notes to accounts	1 - 51		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our attached report of even date
F.K Chadha & Co LLP
Chartered Accountants
Firm Registration Number : 005711N / N500028

Alok Hinge
Partner
Membership No. 104574
Place : Mumbai
Date : 26/9/2023

For and on Behalf of Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private

Neeta Lad
Managing Director
(DIN-01122216)

Sanjay Dighe
Whole time Director and CEO
(DIN-00049039)

Barun Dey
Chief Financial Officer

Stuti Maru
Company Secretary and Compliance Officer
Membership No.:A45257

Place : Mumbai
Date :

KRYSTAL INTEGRATED SERVICES LTD. MUMBAI

Krystal Integrated Services Limited (Formerly Krystal Integrates Services Private Limited)
(All Amounts are ₹ In Millions unless otherwise stated)

Consolidated statement of changes in equity

(A) Equity Share Capital (Issued and Subscribed)

Particulars	Amounts
Balance as at 01st April 2021	57.62
Changes in equity share capital	-
Balance as at 31st March 2022	**57.62**
Changes in equity share capital	-
Balance as at 31st March 2023	**57.62**

(B) Other equity

Particulars	Reserves and Surplus			Items of other comprehensive income	Other Equity attributable to Equity
	Securities Premium	Capital Reserve on Consolidation	Retained earnings	Remeasurement of the net defined benefit liability/asset	
Balance as at 1st April 2021	8.00	1.80	1,382.95	-	1,392.75
Add: Share of profit in joint venture	-	-	3.17	-	3.17
Less: Adjustments related to transition to Ind AS	-	-	(98.29)	5.47	(92.82)
Balance as at 01st April 2021	8.00	1.80	1,287.84	5.47	1,303.10
Profit for the year ended March 2022	-	-	262.74	-	262.74
Other comprehensive income for the year	-	-	-	15.05	15.05
Balance as at 31st March 2022	8.00	1.80	1,550.58	20.52	1,580.89
Profit for the year ended March 2023	-	-	384.43	-	384.43
Other comprehensive income for the year	-	-	-	3.24	3.24
Less: Balances transferred pursuant to scheme of arrangement (Refer Note 42	-	-	(392.12)	-	(392.12)
Balance as at 31st March 2023	8.00	1.80	1,542.90	23.76	1,576.44

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

As per our attached report of even date
T R Chadha & Co LLP
Chartered Accountants
Firm Registration Number : 006711N / N500028

Alka Hingne
Partner
Membership No. 104574
Place : Mumbai
Date : 26/9/2023

For and on Behalf of Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private Limited)

Neeta Lad
Managing Director
(DIN-01122134)

Sanjay Dighe
Whole Time Director and CEO
(DIN-02042603)

Barun Dey
Chief Financial Officer

Stuti Maru
Company Secretary and Compliance Officer
Membership No.:A45257

Place : Mumbai
Date :

KRYSTAL INTEGRATED SERVICES LTD MUMBAI *

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Consolidated Statement of Cash Flows

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Cash flows from operating activities		
Profit before tax from Continuing Operations	390.47	271.30
Profit before tax from Discontinuing Operation	46.42	73.38
Net profit before tax	436.89	345.68
Depreciation and amortisation	46.37	41.96
Finance costs	54.91	87.78
Interest Income	(20.77)	(16.71)
Balance Written off	0.03	3.38
Allowance for expected credit loss	1.23	3.52
Balance Write Back	(11.50)	(5.57)
Gain / (Loss) on fair valuation of investments	0.00	(0.00)
(Profit) / loss on sale of Assets	-	(0.07)
Operating Profit before change in working capital	547.58	460.95
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(17.29)	(36.38)
Trade receivables, loans, other financial assets and other assets	268.05	(456.07)
Financial and Other Asset	(61.21)	(47.45)
Trade payables, other financial liabilities, other liabilities and provisions	(122.25)	354.62
Provisions	35.84	14.36
Changes in working capital	189.00	(170.89)
Less : Tax paid	(18.56)	(90.17)
Add: Refund		-
Cash flows from operating activities	717.30	199.89
Cash flows from investing activities		
(Purchase) / sales of property, plant and equipments	(36.32)	(103.56)
Bank deposits (having original maturity of more than 3 years) (net)	(60.64)	(87.22)
Loan (given) / repaid - related parties and others (net)	(233.40)	(1.07)
(Purchase) / Sales of investment	(10.41)	(3.78)
Interest received	20.77	16.71
Cash flows from investing activities	(320.08)	(178.82)
Cash flows from financing activities		
Proceeds from/(repayments of) Long-term Borrowings	(44.59)	18.83
Proceeds from/(repayments of) Short-term borrowings	(154.96)	53.55
Payment of lease liabilities	(36.43)	(17.58)
Interest payment	(52.47)	(85.40)
Cash flows from financing activities	[illegible]	(30.60)
Net changes in cash and cash equivalents	88.81	(9.65)
Cash and cash equivalents as at the beginning of the year (refer note 12)	4.90	14.55
Cash and cash equivalents as at the end of the year	93.71	4.90
Components of cash and cash equivalents (refer note 12)		
Cash on hand	1.20	1.10
Balances with banks	92.51	3.80
Cash and cash equivalents as per standalone statement of cash flows	93.71	4.90

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 : 006711N / N500028

Alka Hingar
Partner
Membership No. 104574
Place : Mumbai
Date : 26/9/2023

For and on Behalf of Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private Limited)

Neeta Lad
Managing Director
(DIN-01122734)

Sanjay Digha
Whole Time Director
(DIN-02042603)

Baron Dey
Chief Financial Officer

Stuti Maru
Company Secretary
and Compliance
Membership No : A4525

Place : Mumbai
Date :

KRYSTAL INTEGRATED SERVICES LTD. MUMBAI *

Significant Accounting Policies To Consolidated Financial Statements

1. **Corporate Information**

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) (the Company or the Holding Company) was incorporated under the provisions of the Companies Act, 1956 on 1st December 2000. The Company has converted from Private Limited Company to Public Limited Company with effect from 4th August 2023. The Company together with its subsidiaries (collectively referred to as the "Group"). These consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries and the Group's interest in joint venture. The group has a team of over [illegible] professionals trained manpower serving to impressive clientele which includes government companies, national and multi-national companies. The company is mainly in the business of Providing Facilities Management Services, Security Agency Services, Housekeeping Services, etc.

Mumbai Bench of the NCLT, through its order dated June 20, 2024 (the "Order"), which became effective from [illegible] has approved the Scheme of Arrangement ("the Scheme") between the Company ("Demerged Company") and [illegible] TECHNO SOLUTION PVT LIMITED ([illegible]) ("Resulting Company") and their respective shareholders and creditors with regard to Smart City Business providing Supply, Installation, Testing and Commissioning Services business of the Company. The scheme has been approved by Board of Directors of both the Companies on March 20, 2024 for Demerger of [illegible] unit of the Demerged company situated at [illegible] Co-op HSG. Soc., [illegible] Causeway Road, Near Sion Talao, Sion, Mumbai 400022 (Collectively referred to as "Demerged Undertaking") from Demerged Company into Resulting Company with effect from Appointed Date i.e. July 19, 2023. The profit related to said business is disclosed as profit from discontinued operations in the Statement of Profit and Loss.

2. **Basis for Preparation, Measurement, Consolidation and Significant Accounting Policies**

A. **Basis for Preparation**

The Consolidated Financial Statements of the Group comprise the Consolidated Balance Sheet as at 31st March 2023, 31st March 2022 and 1st April 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31st March 2023 and 31st March 2022, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31st March 2023 and 31st March 2022, the summary of significant accounting policies and explanatory notes (collectively 'the Consolidated Financial Statements').

These Consolidated 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). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, presentation requirements of Division II of Schedule III to the Act, as applicable to the consolidated financial statements and other relevant provisions of the Act.

The Company and its subsidiaries were being preparing their standalone financial statements upto and for the year ended 31 March 2022 in accordance with the Companies (Accounting Standard) Rules, 2021 (as amended) notified under Section 133 of the Act and other provisions of the Act ("Indian GAAP" or "Previous GAAP"). The Company has not prepared its consolidated financial statements upto 31 March, 2022 pursuant to option availed by Company as per Section 129(3) read with Companies (Accounts) Amendment Rules, 2016 of the Companies Act, 2013. Since these are the first Consolidated Financial Statements of the Group prepared in accordance with Indian Accounting Standards, in accordance with Ind AS 101, the date of transition to Ind AS for the purpose of these special purpose Financial statements is 1st April, 2021 being the beginning of the earliest period for which the company presents full comparative information under Ind AS in first Ind AS Financial Statements.

The Group has adopted all the relevant Ind AS standards and the 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 Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the Previous GAAP and an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note [illegible]

The consolidated Ind AS financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All the amounts have been rounded off to the nearest millions, unless otherwise stated.

B. **Basis for Measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments),

ii. employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO").

C. **Basis of Consolidation:**

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as disclosed here below. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences and the date control ceases. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group. The financial statements of subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Non-controlling interests:

Non-controlling interest ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

In case where the Group has written a put option with NCI in an existing subsidiary on their equity interest in that subsidiary then the Group evaluates whether the risks associated with the ownership interest. In case NCI still have present access to returns associated with the underlying ownership interest, then the Group may elected to account for put option as per the anticipated acquisition method. Under the anticipated acquisition method the put option is accounted for as an anticipated acquisition of the underlying NCI. This is independent of how the exercise price is determined (e.g. fixed or variable) and how likely it is that the option will be exercised. Subsequent to initial recognition, any changes in the carrying amount of the NCI, liability is accounted through consolidated statement of profit and loss account.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

Associates are entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated Ind AS financial statements include the Group's share of profit or loss [illegible] the date on which significant influence or joint control ceases. The Group's investment in equity accounted investees includes goodwill identified on acquisition. When the Company transacts with an associate or joint venture of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the associate or joint venture. Dividends are recognised when the right to receive the payment is established.

The details of subsidiaries considered in these Consolidated Financial Statements are as given below:

Particulars	Country of Domicile	Holding as at 31st March 2025	31st March 2024	31st March 2023
Krystal Gourmet Private Limited	India	100%	100%	100%
Flame Facilities Private Limited	India	100%	100%	100%

The Group's interest in the Joint venture namely Krystal-Aquachem [illegible] is accounted for using equity method as prescribed in relevant Indian Accounting Standard.

B Significant Accounting Policies

1 Use of estimates and judgements

The preparation of the Consolidated 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 on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. Impairment of non-financial assets - Non-financial assets are tested for impairment by determining the recoverable amount. Determination of recoverable amount [illegible] present value of future cash flows. The key inputs used in the present value calculations include the expected future growth in operating revenues and margins in the forecast period, terminal growth rates and discount rates which are subject to significant judgement.

ii. Contingent liabilities: Contingent liabilities are not recognised in the Consolidated Financial Statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

iii. Income taxes: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iv. Impairment of financial assets: the Company estimates the lifetime expected credit losses on financial assets that are measured at amortised cost.

v. Measurement of defined benefit obligations: key actuarial assumptions [illegible] actuarial valuation.

vi. Property, plant and equipment: Useful life of assets.

vii. Other estimates: The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2 Measurement of fair value

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 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 a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3 Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

1 Expected to be realised or intended to be sold or consumed in normal operating cycle,
2 Held primarily for the purpose of trading,
3 Expected to be realised within twelve months after the reporting period, or
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.

All other assets are classified as non-current.

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6 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 (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed 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 asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

7 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 Group as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. To assess whether 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 Group has substantially all of the economic benefits from use of the asset through the period of the lease and
3. The Group has the right to direct the use of asset.

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

The of right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made prior to 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-to-use assets are depreciated from the commencement date on a straight-line basis 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 amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate 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 assets belong.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the respective fields and lease payments have been classified as financing cash flows.

The Group as a Lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

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

8 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence. Cost of inventories is ascertained on FIFO basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

9 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand 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 consist of cash and short-term deposits, as defined above.

10 Financial Instruments

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

A Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

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Subsequent measurement

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

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

Financial asset at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to 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. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial asset at FVOCI

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both 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 meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments (other than investments in subsidiaries, associates and joint venture)

All equity investments in scope of Ind AS 109 are measured at fair value and are classified as FVTPL.

De-recognition

The Group derecognises financial asset when:

1. The rights to receive cash flows from the asset have expired, or
2. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) the Group has transferred substantially all the risks and rewards of the asset, or

b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial Assets

The Group assesses impairment based on expected credit loss (ECL) model to the following:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

The Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivable. The Group calculates the expected credit losses on trade receivables on the basis of its historical credit loss experience. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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

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B. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements 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 Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

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

1. Financial liabilities at fair value through profit or loss
2. Loans and borrowings measured at amortised cost basis
3. Financial guarantee contracts

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held 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 liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the Statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at FVTPL.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. 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. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised 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 allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

D. Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

Premium/Discount, in respect of forward foreign exchange contract, is recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rate changes. Profit/loss on cancellation / renewal of forward exchange contracts is recognised as income/expense.

11 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Group 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 Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

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

2. A present obligation arising from past events, when no reliable estimate is possible;

3. A possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

12 Taxes

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and tax laws enacted or substantively enacted, at the reporting date in the countries where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred tax assets are the amounts of income taxes 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 reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

13 Revenue recognition

The Group derives revenue primarily from manpower services comprising of facility management services, security services and other manpower [illegible]

Revenue from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group's [illegible] services, generally [illegible] a [illegible] revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group's contracts may include [illegible] discounts and [illegible] are reduced from revenues and recognised based on [illegible] of the expected amount relating to these [illegible]

Revenue from manpower services is recognised over time [illegible] simultaneously receives and consumes the benefits. The invoicing for these services is either based on completion of service [illegible]

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor and has pricing latitude which establishes control before transferring products and services to the customer.

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of invoicing are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time. Unbilled revenues are presented under trade receivables, while invoicing in excess of revenues are classified as contract liabilities [illegible]

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Other income

Other income comprises [illegible] income on deposits, dividend income and [illegible] (loss) on disposal of financial assets and [illegible]. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

14 **Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. [illegible] the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

15 **Employee Benefits**

A **Short-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term employee benefits are measured on an undiscounted basis as the related service is provided.

B **Compensated absences**

The employees of the Group are entitled to compensated absences. For the purpose, the group follows Calendar Year [illegible] Financial Year. In-house employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is determined by management [illegible] of amount payable of each balance sheet date. In case of onsite employees, the compensated absences are part of their Compensation Package and [illegible] or demanded at the time of full and final settlement.

Accumulated compensated absences, [illegible] are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits.

C **Defined contribution plan**

Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Group makes specified monthly contributions towards Employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The expenditure for defined contribution plans 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 Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The Group's gratuity fund is managed by the Life Insurance Corporation of India (LIC). The present value of gratuity 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 Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

[illegible] 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 curtailments and non-routine settlements; and
- Net interest expense or income

Actuarial gains or losses are recognized in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead, net interest [illegible] in the statement of profit and loss is calculated 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 re-measurement of net defined liability or asset through other comprehensive income.

Re-measurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the statement of profit and loss in subsequent periods.

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 Group incurs in connection with the borrowing of funds.

17 **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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

[illegible] INTEGRATED [illegible] LTD. MUMBAI [illegible]

18 Segment Reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Manpower and related Services and Catering Services.

19 Foreign currency transactions and balances

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

Foreign exchange gains and losses resulting from the settlement of such transactions and from 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. The net gain or loss on change in the fair value of foreign exchange derivative instruments are accounted in the statement of profit or loss.

20 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. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, 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.

21 Non-current assets (or disposal groups) 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 value 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 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.

Where 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, then it 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 prior periods being presented on this basis.

22 New and amended Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable 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. Accounting 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 Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed 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 Group is evaluating the impact, if any, in 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 of a 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 develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves 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 Group does not expect this amendment to have any significant impact in its financial statements.

As per our attached report of even date
T R Chadha & Co LLP
Chartered Accountants
Firm Registration Number: [illegible]

Alka Hingar
Partner
Membership No.: [illegible]
Place: Mumbai
Date: 26/9/2023

For and on behalf of Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private Limited)

Neeta Lad
Managing Director
(DIN 0033[illegible])

Sanjay Dighe
Whole Time Director and CEO
(DIN 0[illegible])

Saurabh Dey
Chief Financial Officer

Stuti Maru
Company Secretary and Compliance Officer
Membership No.: [illegible]

Place: Mumbai
Date:

Krystal Integrated Services Limited (formerly Krystal Integrated Services Private Limited)
(All amounts are ₹ in Millions unless otherwise stated)
Notes to Consolidated Financial Statements

Note 3 (a) : Property, Plant and Equipment and Capital work in progress

Category	GROSS BLOCK As at 1st April 2022	Additions during the year	Deductions* / Transfers	As at 31st March 2023	DEPRECIATION / AMORTISATION / IMPAIRMENT Upto 01st April 2022	For the year On Opening Balance	On Additions Addition	On Additions Deletion*	Total upto 31st March 2023	NET BLOCK As at 31st March 2023	As at 31st March 2022
Tangible assets											
Building	2.89	641.81	-	[illegible]	1.43	5.66	0.34	-	7.42	636.88	1.47
Plant & Machinery	335.30	44.55	0.36	[illegible]	[illegible]	16.84	1.30	0.01	[illegible]	65.35	55.85
Furniture & Fixtures	21.41	98.55	0.51	53.55	17.59	7.80	0.44	0.01	25.83	28.76	4.86
Vehicles	47.29	3.54	-	50.83	15.60	4.99	0.04	-	20.58	30.75	18.59
Computers	39.64	5.51	0.14	45.05	35.86	2.43	0.54	0.01	38.84	6.35	2.51
Leasehold Improvements	-	3.33	-	3.33	-	-	0.15		0.15	3.07	-
Office Equipment	1.59	5.59	-	7.16	1.43	0.35	-		1.77	5.39	0.16
Total of Tangible assets	581.30	711.84	0.53	[illegible]	235.86	12.??	2.??	0.03	[illegible]	782.21	94.13
Capital work in Progress (Office Premises)	600.06		600.06	-		-	-	-	-	-	600.06
Total of Capital work-in-progress	600.06	-	600.06	-		-	-	-	-	-	600.06

*Deduction disclosed as transfer of assets as per Scheme of Arrangement (Refer Note - 46)

Assets	GROSS BLOCK As at 01st April 2021	Additions during the year	Deductions	As at 31st March 2022	DEPRECIATION / AMORTISATION / IMPAIRMENT Upto 01st April 2021	For the year On Opening Balance	On Additions Addition	On Additions Deletion	Total upto 31st March 2022	NET BLOCK As at 31st March 2022	As at 31st March 2021
Tangible assets											
Plant & Machinery	206.15	7.56	0.61	213.10	139.76	18.38	0.80	0.51	155.43	58.85	66.57
Furniture & Fixtures	19.55	1.88	-	21.43	16.57	0.77	0.00		17.36	4.05	7.97
Vehicles	35.27	11.92	-	47.19	14.63	3.33	0.22	-	[illegible]	28.57	20.66
Computers	39.31	0.58	-	19.89	22.41	2.34	0.10	-	45.??	3.77	6.70
Building	2.89	-	-	2.89	1.13	3.02	-	-	1.42	1.47	3.54
Office Equipment	1.40	0.19	-	1.59	1.39	3.09	-	-	1.42	0.16	0.02
Total of Tangible assets	304.??	22.05	0.61	325.80	2??.??	24.95	1.30	0.52	2??.??	94.13	88.36
Capital Work-in-Progress (Office Premises)	600.06	-	-	600.06	-	-	-	-	-	600.06	600.06
Total of Capital work in progress	600.06	-	-	600.06	-	-	-	-	-	600.06	600.06

Note

1 Property, Plant and Equipment are subject to first charge to secured loans. Refer note 21 and 25

2 The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company. Further, no property, plant and equipment or right-to-use assets have been revalued.

Capital work-in-progress ageing (CWIP)

Particulars	Amount in CWIP for the period of 31st March 23 Less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-
Project suspended	-	-	-	-	-

Particulars	Amount in CWIP for the period of 31st March 22 Less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	Total
Project in progress	-	-	-	600.06	600.06
Project temporarily suspended	-	-	-	-	-
Project suspended	-	-	-	-	-

Note 3 (b) Right-of-use Assets

Description	Building	Total Right-of-use Asset
Cost as at 1st April 2021 (A)	24.52	24.52
Additions	3.74	0.74
Deletions		-
Cost as at 31st March 2022 (B)	25.26	25.26
Additions	25.47	25.40
Deletions		
Cost as at 31st March 2023 (C)	51.08	51.08
Accumulated depreciation as at 1st April 2021 (D)	16.58	16.58
Depreciation for the year	10.26	10.26
Deletions	-	
Accumulated depreciation as at 31st March 2022 (E)	30.84	30.84
Depreciation for the year	11.75	11.75
Deletions		
Accumulated depreciation as at 31st March 2023 (F)	42.59	42.59
Net carrying amount as at 31st March 2022 (B) - (E)	(5.58)	(5.58)
Net carrying amount as at 31st March 2023 (C) - (F)	8.49	8.49

Note 4 Other intangible assets

Description	Computer Software	Total
Cost as at 1st April 2021 (A)	7.89	7.89
Additions	1.10	1.10
Deletions	-	-
Cost as at 31st March 2022 (B)	8.99	8.99
Additions	0.33	0.33
Deletions	(0.01)	(0.01)
Cost as at 31st March 2023 (C)	9.30	9.30
Accumulated amortisation as at 1st April 2021 (D)	6.46	6.46
Amortisation for the year	1.20	1.20
Deletions		
Accumulated amortisation as at 31st March 2022 (E)	7.66	7.66
Amortisation for the year	0.73	0.73
Deletions	(0.01)	(0.01)
Accumulated amortisation as at 31st March 2023 (F)	8.39	8.39
Net carrying amount as at 31st March 2022 (B) - (E)	1.33	1.33
Net carrying amount as at 31st March 2023 (C) - (F)	0.91	0.91

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Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to Consolidated Financial Statements

5 Investments

Particulars	31st March	31st March	1st April 2021
Investment in Joint Venture			
Krystal Aquachem (JV) - equity method	4.82	4.50	3.27
Krystal Aquachem (JV) - loan in the nature of Equity	8.75	1.38	1.39
BVG Krystal Joint Venture**	-	-	-
Investment carried at (FVTPL)			
Investment in equity shares - unquoted			
Others - in Co-operative banks			
Nil (2,520) shares of Saraswat Co-operative Bank of ₹ 10 each*	-	0.03	0.03
13875 (11125), (8765), (7400) shares of Mumbai District Central Co-operative Bank Ltd of ₹ 1000 each*	13.88	11.13	8.27
70,371 units of Reliance Liquid Funds - Direct - Growth Plan	-	-	0.23
8.309 Units of Nippon India Liquid Funds - Direct - Growth Plan	0.00	0.00	-
Other Investments			
Gold Pooja Jewellery (At cost)	1.50	1.50	1.50
Total	28.95	18.54	14.69
Aggregate amount of quoted investments and market value thereof	0.00	0.00	0.23
Aggregate amount of unquoted investments	28.95	18.53	14.46
Aggregate amount of impairment in the value of investments			
* In absence of requisite information cost price has been considered as fair value			

Note: Values with ₹ 0.00 denotes amounts less than ₹ 5000.
**BVG Krystal Joint Venture (BVG Krystal) is a joint arrangement in which the Company has a right of 49% share in profits. BVG Krystal is a partnership firm registered on 2 June 2009, having its principal place of business at Mumbai. 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 joint venture and hence the capital invested by the company amounting to Rs.0.005 million was impaired in the Financial Year 2015-16. The JV has Negative net asset of Rs. 0.13 Million, the operation expenses are borne by other JV Partner and has not been claimed by said JV Partner from Company, as such no accounting in this regard has been made by the Company in its books of accounts. The Management does not foresee any liability in this regard.

6 Other Financial Assets

Particulars	31st March 2023	31st March 2022	1st April 2021
Security Deposits			
- considered good	87.22	97.94	14.97
Bank deposits with maturity more than 12 months	312.47	121.02	44.37
Total	399.69	218.96	59.34

7 Deferred Tax asset

Particulars	31st March 2023	31st March 2022	1st April 2021
On difference between book balance and tax balance of property, plant and equipment and intangible assets	11.86	16.44	12.34
On disallowances	63.18	39.96	68.37
Others	(0.54)	(0.41)	(0.38)
Total	74.50	55.99	80.33

8 Income tax assets (net) - Non-current

Particulars	31st March 2023	31st March 2022	1st April 2021
Advance income Tax & TDS (Net of Provision)	69.86	71.09	52.36
Total	69.86	71.09	52.36

9 Other Non-current Assets

Particulars	31st March 2023	31st March 2022	1st April 2021
Capital advances (Unsecured, Considered good)	-	80.57	-
Total	-	80.57	-

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10 Inventories

Particulars	31st March 2023	31st March 2022	1st April 2021
(Valued at cost or Net Realisable Value whichever is lower)			
Consumable Items	6.11	58.81	22.43
Total	6.11	58.81	22.43

11 Trade Receivables

Particulars	31st March 2023	31st March 2022	1st April 2021
(i) Trade Receivables - Billed			
Unsecured, considered good	914.47	1,785.43	1,590.75
Less: Allowance for expected credit loss	(158.37)	(157.48)	(163.14)
Total Trade Receivables - Billed	756.10	1,627.95	1,427.61
(ii) Trade Receivables - Unbilled			
Unbilled	759.67	803.73	594.91
Less: Allowance for expected credit loss	(19.67)	(20.08)	(20.09)
Total Trade Receivables - Unbilled	740.00	783.65	574.82
Total Trade Receivables (i + ii)	1,496.09	2,411.60	2,002.43
Trade receivables includes :			
- Dues from related parties (refer note 36)	31.24	30.32	15.00
- Other receivables	1,464.85	2,381.29	1,987.43

1. The Group's exposure to credit and loss allowances related to trade receivables are disclosed in Note 41
2. Working Capital facilities is also secured against first charge on book-debts.
3. The amount of loss allowance (lifetime expected credit loss) has been recognized under the Simplified approach for trade receivable and hence break-up of trade receivable into 'significant increase in credit risk' and 'credit impaired' has not been disclosed separately.

Trade Receivable Ageing

FY 2022-23

Category	Outstanding for following periods from due date of payment					
	< 6 months	6 mths - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Goods	618.82	8.26	51.96	36.39	199.04	914.47
(ii) Undisputed Trade Receivables – Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables – Considered Goods	-	-	-	-	-	-
(iv) Disputed Trade Receivables – Considered Doubtful	-	-	-	-	-	-
Unbilled revenue						759.67
Less: Allowance for expected credit loss						(178.03)
Net receivables						1,496.11

FY 2021-22

Category	Outstanding for following periods from due date of payment					
	< 6 months	6 mths - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – Considered Goods	1,471.38	62.01	42.40	99.12	64.83	1,739.74
(ii) Undisputed Trade Receivables – Considered Doubtful	-		3.17	17.05	25.46	45.68
(iii) Disputed Trade Receivables – Considered Goods	-	-	-		-	-
(iv) Disputed Trade Receivables – Considered Doubtful		-	-		-	-
Unbilled Revenue						803.73
Less: Allowance for expected credit loss						(177.56)
Net receivables						2,411.59

FY 2020-21

Category	Outstanding for following periods from due date of payment					
	< 6 months	6 mths - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – Considered Goods	1,290.15	101.70	152.67	10.71	-	1,556.23
(ii) Undisputed Trade Receivables – Considered Doubtful	-	0.05	7.82	0.18	26.46	34.51
(iii) Disputed Trade Receivables – Considered Goods	-	-	-	-	-	-
(iv) Disputed Trade Receivables – Considered Doubtful	-		-	-	-	-
Unbilled Revenue						594.91
Less: Allowance for expected credit loss						(183.22)
Net receivables						2,002.43

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12 Cash and Cash Equivalents

Particulars	31st March 2023	31st March 2022	1st April 2021
In current account with Banks	52.51	3.80	13.48
Cash on hand	1.20	1.10	1.07
Total	53.71	4.90	14.55

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	91.23	221.93	211.16
Balances with banks for liability against Govt Schemes	6.71	6.81	7.01
Total	97.94	228.74	218.17

Bank deposits are held as margin money against bank guarantee, Loan for EMD and term loan.

14 Current Loans

Particulars	31st March 2023	31st March 2022	1st April 2021
Considered good - unsecured - repayable on demand			
Loan to Others	251.51	18.02	16.94
Total	251.51	18.02	16.94

15 Other financial assets

Particulars	31st March 2023	31st March 2022	1st April 2021
Advances to Employees	1.54	4.56	1.70
Security Deposits			
- Other than related parties	29.43	5.94	37.46
Other Receivables	9.99	13.99	13.80
Total	40.96	24.49	52.96

16 Income tax assets (net) - Current

Particulars	31st March 2023	31st March 2022	1st April 2021
Advance Income Tax & TDS (Net of Provision)	15.64	63.57	35.76
Total	15.64	63.57	35.76

17 Other current assets

Particulars	31st March 2023	31st March 2022	1st April 2021
Advances to Supplier	13.02	41.11	67.95
Receivable from government authority	0.03	0.03	0.03
Prepaid expenses	40.26	36.92	17.13
Total	53.31	78.06	85.11

(All Amounts are ₹ in Millions unless otherwise stated)

17 Equity Share capital

Particulars	31st March 2023	31st March 2022	1st April 2021
(a) Authorised			
1,00,00,000 (1,00,00,000) Equity Shares of ₹ 10/- 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) Equity Shares of ₹ 10/- each	57.62	57.62	57.62
Total	57.62	57.62	57.62

Notes :

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

Particulars	31st March 2023		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	57.62	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 March 2023		31st Mar 2022		1st April 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Krystal 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 March 2023		31st Mar 2022		1st April 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Krystal 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 Group 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 received the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

(v) There are no bonus shares issued or shares bought back during the period of 5 years immediately preceding the reporting date. However, the Board of Directors in its meeting dated 28th September 2023 approved issue of 1 bonus equity share for each equity share held by respective shareholder as on record date, subject to approval by shareholders

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15 Other equity

Particulars	Amount
(a) Securities Premium Reserve	
As at 1st April 2021	5.00
Addition/(Deletion)	-
As at 31st March 2022	5.00
Addition/(Deletion)	-
As at 31st March 2023	5.00
(b) Retained Earnings	
As at 1st April 2021	1,366.[illegible]
Add: Share of profit in joint venture	2.17
Less: Adjustment related to transition to Ind AS	(68.74)
As at 1st April 2021	[illegible]
Add: Profit for the year	[illegible]
Less: Other comprehensive income	[illegible]
As at 31st March 2022	15.[illegible]
Add: Profit for the year	1,571.[illegible]
Less: Other comprehensive income	[illegible]
Less: [illegible]	1.24
As at 31st March 2023	([illegible])
	1,5[illegible]
Capital Reserve on consolidation	
	1.80
	1.85

Brief description of other equity:

a. Securities Premium: [illegible] in accordance with the provisions of The Companies Act, 2013.

b. Retained Earnings: This Reserve represents the cumulative profits of the company. [illegible] 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.

16 Borrowings - Non-current*

Particulars	31st March 2023	31st March 2022	1st April 2021
Secured			
From Banks			
Vehicle Loans	[illegible]	75.81	37.77
Loan against Property		-	-
Covid Emergency Funding		3.07	38.05
Loan from Related Party			
Loan against Property (Mumbai District Central Co-operative Bank Ltd)	150.14	[illegible]	[illegible]
Covid Emergency Funding (Mumbai District Central Co-operative Bank Ltd)	-	13.41	[illegible]
From Others			
Term loans from financial institutions	5.50	219.26	57.[illegible]
Total secured borrowings	17[illegible]	[illegible]	300.[illegible]
Unsecured			
Loan from related party			
[illegible]	[illegible]	-	-
Loan from Promoters/Directors	-	[illegible]	44.30
Total unsecured borrowings	[illegible]	[illegible]	[illegible]
Less: Current maturities of long term borrowings (refer table below)	(77.44)	([illegible])	([illegible])
Total*	[illegible]	[illegible]	[illegible]

*Information about the Group's exposure to interest rate and liquidity risk is included in note [illegible]

Breakup of current maturities of long term borrowings

Particulars	31st March 2023	31st March 2022	1st April 2021
Secured			
From banks	[illegible]	[illegible]	72.08
From others	[illegible]	[illegible]	[illegible]
Total	77.44	[illegible]	[illegible]

SECURED
(i) Nature of Security
(a) Vehicle loans from banks are secured against specific charge on the respective vehicle.
(b) Loan Against Property are secured against charge on the Immovable Property.
(c) Term loans from financial institutions are secured against [illegible]

(ii) Maturity Profile and Rate of interest
(a) Vehicle loan from Bank are repayable in equated monthly installments, maturity date and Rate of interest is highlighted in the following table

Rate of Interest	Maturity Date
9.21	[illegible]
4.75	[illegible]
6.05	15-Dec-[illegible]
8.35	07-Aug-25
[illegible]	08-Sep-25
[illegible]	[illegible]
7.40	[illegible]
7.40	[illegible]
9.05	[illegible]

(b) Loan against Property is repayable in [illegible] monthly installments [illegible]. The rate of interest is [illegible] p.a.
(c) Term Loan from Financial Institution [illegible] as per [illegible] The rate of interest is [illegible]

UNSECURED
(a) Term Loan from [illegible] The rate of interest is [illegible] p.a.
The Company has not defaulted [illegible] during the years ended 31st March 2023, 2022 and on 1st April 2021.

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[illegible]
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23 Lease Liabilities

Particulars	31st March 2023	31st March 2022	1st April 2021
Lease Liabilities (Refer note 33)	35.45	14.08	[illegible]
Total	35.45	14.08	[illegible]
Current	9.01	[illegible]	[illegible]
Non Current	26.45	[illegible]	[illegible]

24 Provisions

Particulars	31st March 2023	31st March 2022	1st April 2021
Provision for employee benefits			
Provision for Gratuity	[illegible]	1.38	[illegible]
Total	[illegible]	1.38	[illegible]

25 Borrowings - Current

Particulars	31st March 2023	31st March 2022	1st April 2021
Secured			
From Banks			
Cash Credit (Refer note 1 below)	[illegible]	[illegible]	[illegible]
From Related Party			
[illegible]	[illegible]	[illegible]	[illegible]
From Others			
[illegible]	[illegible]	-	
Unsecured			
Loan Others	[illegible]	[illegible]	[illegible]
Current Maturities of long term debt :			
From Bank	[illegible]	[illegible]	[illegible]
From Related Party [illegible]	45.00	[illegible]	[illegible]
From Others	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

Note
Nature of Security
[illegible] first charge by way of hypothecation of [illegible] equitable mortgage of [illegible] and personal guarantee of [illegible]
The company has not defaulted [illegible] 31st March 2023, 2022 and [illegible] 2021.

The summary of differences [illegible] by the Holding Company with banks are as follows:

FY 2022-23

Name of Banks	Quarter Ended	Particulars	Stock as per Statement	As per Books of Accounts	Difference	Reason for Material Variance
MCCB Bank State Bank of India Union Bank of India	Q1 - 30th June 2022	Inventory	[illegible]	[illegible]	0%	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	1%	Note 1
MCCB Bank State Bank of India Union Bank of India	Q2 - 30th Sept 2022	Inventory	[illegible]	[illegible]	[illegible]	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	[illegible]	Note 1
Union Bank of India	Q3 - 31st Dec 2022	Inventory	[illegible]	[illegible]	0%	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	0%	Note 1
Union Bank of India	Q4 - 31st Mar 2023	Inventory	[illegible]	4.55	0%	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	[illegible]	Note 2

Note 1
For quarters ended [illegible] and December 2022 difference is on account of [illegible] (TDS) [illegible] of TDS certificate for the purpose [illegible] to banks. There are some [illegible] on account of GST [illegible]

Note 2
[illegible]

FY 2021-22

Name of Banks	Quarter Ended	Particulars	Stock as per Statement	As per Books of Accounts	Difference	Reason for Material Variance
MCCB Bank State Bank of India Union Bank of India	Q1 - 30th June 2021	Inventory	[illegible]	[illegible]	0%	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	[illegible]	Note 1
MCCB Bank State Bank of India Union Bank of India	Q2 - 30th Sept 2021	Inventory	[illegible]	[illegible]	[illegible]	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	[illegible]	Note 1
Union Bank of India	Q3 - 31st Dec 2021	Inventory	[illegible]	[illegible]	[illegible]	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	[illegible]	Note 1
Union Bank of India	Q4 - 31st Mar 2022	Inventory	[illegible]	[illegible]	0%	
		Trade Payable	[illegible]	[illegible]	[illegible]	
		Trade Receivable	[illegible]	[illegible]	[illegible]	Note 2

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Note 1
For quarters June 2021, September 2021 and December 2021, difference is on account of income tax deducted at source (TDS) [illegible] considered in trade receivables [illegible] of TDS certificate for the purpose of submission of quarterly statements to banks. There are no material differences on account of TDS [illegible].

Note 2
For Quarter ending March 2022, apart from the above two items [illegible] of accounts [illegible] 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
HDFC Bank State Bank of India Union Bank of India	Q1 - 30th June 2020	Inventory	17.28	16.28	6%	
		Trade Payable	339.50	451.40	12%	
		Trade Receivables	2,006.45	1,972.37	3%	Note 1
HDFC Bank State Bank of India Union Bank of India	Q2 - 30th Sept 2020	Inventory	20.15	20.25	[illegible]	
		Trade Payable	359.20	337.76	3%	
		Trade Receivables	[illegible]	1,973.27	7%	Note 1
HDFC Bank State Bank of India Union Bank of India	Q3 - 31st Dec 2020	Inventory	32.03	33.03	1%	
		Trade Payable	375.40	358.82	4%	
		Trade Receivables	2,015.47	2,003.34	1%	Note 1
HDFC Bank State Bank of India Union Bank of India	Q4 - 31st Mar 2021	Inventory	4.04	22.24	[illegible]	
		Trade Payable	342.47	351.76	3%	
		Trade Receivables	1,264.14	1,147.85	10%	Note 2

Note 1
For quarters June 2020, September 2020 and December 2020, difference is on account of income tax deducted at source (TDS) [illegible] of TDS certificate for the purpose of submission of quarterly statements to banks. There are no material differences on account of TDS except [illegible]

Note 2

For Quarter ending March 2021, apart from the above two items [illegible] for reconciliation of accounts [illegible] at the year end.

20 Trade Payables

Particulars	31st March 2022	31st March 2021	1st April 2020
Total outstanding dues of micro enterprises and small enterprises	0.48	4.??	6.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	157.52	535.08	572.64
Total	158.??	[illegible]	[illegible]

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 2022	31st March 2021	1st April 2020
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	1.54	3.71	5.52
- Interest due to Micro, Small and Medium Enterprises	0.05	0.04	0.04
- 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	0.04
- 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 23 of the MSMED Act 2006.	0.07	0.70	0.71

* Dues to Micro, Small and Medium Enterprises [illegible] 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.

(All Amounts are ₹ in Millions unless otherwise stated)

Trade Payables Ageing

FY 2024-25

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.35	-	-	-	6.35
(ii) Others	328.47	18.87	5.56	7.88	359.33
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	334.75	18.87	[illegible]	3.46	358.54

FY 2023-24

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	4.25	-	-	-	4.25
(ii) Others	413.61	37.48	2.45	10.10	[illegible]
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	444.23	37.48	[illegible]	10.10	[illegible]

FY 2022-23

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.70	-	-	-	6.70
(ii) Others	174.34	19.52	5.66	6.34	372.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	329.01	18.52	[illegible]	6.04	379.57

25 Other Financial Liabilities

Particulars	31st March 2025	31st March 2024	1st April 2023
Security Deposits	47.16	38.51	13.68
Outstanding Liabilities	[illegible]	550.91	384.54
Other payables pursuant to Scheme of arrangement (Refer note 47)*	[illegible]	-	-
Total	[illegible]	[illegible]	[illegible]

* Payable to MSME due to [illegible]

26 Other Current Liabilities

Particulars	31st March 2025	31st March 2024	1st April 2023
Advance from customers	[illegible]	25.86	[illegible]
Statutory liabilities	447.82	405.54	185.81
Income tax payables	0.55	0.82	3.84
Total	[illegible]	437.34	[illegible]

27 Provisions

Particulars	31st March 2025	31st March 2024	1st April 2023
Provision for employee benefits			
Provision for gratuity	[illegible]	17.57	[illegible]
Provision for compensated absences	[illegible]	80.68	[illegible]
Total	[illegible]	[illegible]	[illegible]

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(All Amounts are ₹ in Millions unless otherwise stated)

28 Revenue from operations

Particulars	31st March 2023	31st March 2022	31st March 2021
Sale of Services (net of taxes)			
Manpower and related services	6,991.55	5,478.71	4,678.31
Catering Services	84.81	48.05	34.58
Total	7,076.36	5,526.76	4,712.89

29 Other Income

Particulars	31st March 2023	31st March 2022	31st March 2021
Interest income on:			
- Deposits with banks	14.69	13.15	16.10
- Interest on Loans	5.37	2.81	2.72
Interest on Income Tax refund	-	0.10	-
Profit on Sale of Assets	-	0.07	0.22
Balance Write Back	11.70	5.57	10.55
Income Tax Refund	0.05	0.02	-
Gain on fair valuation of investments carried at FVTPL		0.00	-
Miscellaneous income	1.48	0.08	0.01
Total	33.29	21.81	29.60

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

30 Cost of material and store and spare consumed

Particulars	31st March 2023	31st March 2022	31st March 2021
Inventories of materials, store and spares as at the beginning of the year	3.66	4.23	3.97
Add : Purchases of materials	325.49	241.69	202.56
	329.15	245.92	206.53
Less : Inventories of materials, store and spares as at the end of the year	6.11	3.66	4.23
Total	323.04	242.26	202.30

31 Employee Benefit Expenses

Particulars	31st March 2023	31st March 2022	31st March 2021
Salaries and wages	5,267.05	4,208.18	3,590.52
Contributions to provident and other funds	648.93	501.86	403.81
Staff welfare expenses	3.06	3.24	4.22
Total	5,919.04	4,713.28	3,998.55

32 Finance Cost

Particulars	31st March 2023	31st March 2022	31st March 2021
Interest expenses	81.56	85.10	75.80
Interest on lease liabilities	2.49	2.39	-
Other borrowing costs	10.87	0.29	12.24
Total	94.92	87.78	88.04

33 Depreciation and Amortisation

Particulars	31st March 2023	31st March 2022	31st March 2021
Depreciation on tangible assets (refer note 3(a))	35.10	25.49	31.04
Depreciation of right-of-use assets (refer note 3(b))	10.74	16.26	-
Amortisation of intangible assets (refer note 4)	0.73	1.20	1.28
Total	46.57	42.95	32.32

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34 Other Expenses

Particulars	31st March 2023	31st March 2022	31st March 2021
Consumption of stores and spare parts	4.31	2.58	3.23
Office Expenses	4.69	2.95	1.33
Bank Charges	4.97	1.89	1.56
Facility Services	3.07	2.32	0.93
Power and Fuel	15.19	11.59	14.08
Rent (refer note 38)	13.93	3.78	20.89
Repairs and Maintenance	17.88	13.72	9.12
Insurance	10.57	5.07	15.38
Rates and taxes	18.91	2.14	2.34
Donation	0.01	0.08	0.23
Hire Charges	5.16	3.57	7.55
Subcontract Charges	-	0.02	0.04
Travelling expenses (including foreign travelling)	24.62	6.00	5.34
Expected Credit Loss on Trade Receivables (net)	1.23	9.52	13.35
Conveyance expenses	4.88	4.40	2.86
Communication Expenses	4.39	3.94	3.59
Postage and Courier	1.05	1.05	0.92
Balance Write off	0.05	3.38	25.47
Tender Expenses	2.08	2.30	0.79
Printing and stationery	3.37	2.02	1.85
Royalty Fees		8.24	-
Legal and professional fees	43.31	32.58	29.10
Payment to auditors (Refer note (i) below)	3.99	2.69	2.02
Corporate Social Responsibility Expenses (Refer note (ii) below)	9.23	6.50	8.80
Advertisement Expenses	0.64	1.24	0.06
Loss on sale of assets	-	0.00	3.41
Business Promotion Expenses	1.22	11.69	1.02
Loss on fair valuation of investments carried at FVTPL	0.00	-	-
Ineligible GST Expenses	43.73	19.92	25.08
Interest on Late Payment of GST	34.07	5.54	0.00
Interest on Late Payment of TDS	5.81	3.20	0.04
Interest & Damages on ESIC	11.45	2.24	3.25
Interest & Damages on PF	25.91	0.02	-
Miscellaneous Expenses	23.63	9.87	26.68
Total	335.93	191.24	242.22

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	31st March 2021
- Statutory audit fees	3.77	1.66	1.51
- Tax Audit Fees	0.28	0.20	0.15
- Taxation matters	0.45	0.70	0.19
- Other matters	0.59	0.14	0.27

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 VII of the Act.

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

Particulars	31st March 2023	31st March 2022	31st March 2021
a) Gross amount required to be spent by the Company	7.06	6.09	5.34
b) Amount spent during the year	9.23	5.50	8.80
- Amount spent for the purpose	Education 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 - Refer Note 36	-	-	-

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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

Particulars	31st March 2023	31st March 2022
I. Profit attributable to Equity holders		
Profit attributable to equity holders :		
Profit attributable to equity holders for basic earnings	384.12	261.51
Profit attributable to equity holders adjusted for the effect of dilution	384.12	261.51
ii. Weighted average number of ordinary shares		
Issued ordinary shares as at	5,762,200	5,762,200
Weighted average number of shares at March 31 for EPS	**5,762,200**	**5,762,200**

	31st March 2023	31st March 2022
Basic and diluted earnings per share		
Basic earnings per share	33.33	22.69
Diluted earnings per share*	33.33	22.69

*After considering proposed issue of Bonus Share, refer note 53.

(All Amounts are ₹ in Millions unless otherwise stated)

Note 36 : Employee benefit expense

The Company contributes to the following post-employment defined 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 at rates specified in the rules of the schemes.
The Company recognised ₹ 626 Millions (31 March 2022 ₹ 460 Millions and 31 March 2021 ₹ 392 Millions) for provident and other 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 last drawn 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 millions 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	1st April 2021
Fair value of plan asset	104.60	177.50	170.01
Present value of obligations	-555.43	-525.57	-502.61
Asset / (Liability) recognised in Balance Sheet	-450.83	-348.08	-332.60
Non-current	26.66	22.84	24.04
Current	424.17	325.24	308.56

B. Movement in net defined benefit liability

		Defined benefit obligation		
		31st March 2023	31st March 2022	1st April 2021
Opening balance		52.56	50.26	43.80
Included in profit or loss				
Current service cost		25.89	26.23	21.10
Interest cost (income)		2.74	2.14	2.26
	A	81.18	78.64	67.17
Included in OCI				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Financial assumptions		12.15	8.71	7.26
Experience adjustment		-17.57	-31.24	-15.87
	B	-5.42	-22.53	-8.61
Other				
Benefits paid	C	-20.21	-3.55	-8.30
Closing balance	(A-B-C)	55.54	52.56	50.26

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Notes to Consolidated Financial Statements

Note 36 : Employee benefit expense

Maturity Analysis of Projected Benefit Obligation from the reporting 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	0.39	0.60	0.68	0.70	0.62	2.26
31st March 2022	0.30	0.56	0.72	0.71	0.68	1.99

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	1st April 2021
Opening balance	17.75	17.00	17.82
Transfer In/(out) plan assets			
Expenses deducted from the fund			
Interest Income	1.58	1.27	1.49
Return on plan assets excluding amounts included in inte	-0.90	-0.88	-0.54
Contributions by employer	-	3.85	0.21
Benefits paid	-18.13	-3.49	-1.98
Closing balance	0.30	17.75	17.00

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

Current service cost	25.89	26.23	21.10
Interest cost	2.74	2.14	2.26
Interest income	-1.58	-1.27	-1.49
Net gratuity cost	27.04	27.11	21.88

(ii) Re-measurement recognised in other comprehensive Income

Re-measurement net defined benefit liability	-5.42	-22.53	-8.61
Re-measurement net defined benefit asset	0.90	0.88	0.54
	-4.52	-21.64	-8.07

D. Defined benefit obligations
i. Actuarial assumptions
The following were the principal actuarial assumptions at the reporting date (expressed as weighted

	31st March 2023	31st March 2022	1st April 2021
Discount rate	7.35%	5.15%	4.25%
Salary escalation rate	6.50%	6.50%	6.50%

The attrition rate varies from 1% to 55% (PY: 1% to 50%) for various age groups.
Mortality rate varies from 0.09% to 1.12%, Published rates under Indian Assured Live

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		1st April 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Rate of discounting (1% movement)	51.22	61.39	48.96	57.61	45.00	55.98
Rate of salary increase (1% movement)	61.02	51.35	57.28	49.04	55.37	45.18
Rate of employee turnover (10% movement)	49.97	62.49	45.60	61.46	39.39	62.54

Note 36 : Employee benefit expense

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

(All Amounts are ₹ in Millions unless otherwise stated)

Note : 37 Related Party Disclosure
Disclosures as required by the Indian Accounting Standard 24 (Ind AS 24) on "Related Party Disclosures" are given below:

Holding Company
Krystal Family Holding Private Limited

List of Subsidiaries and Joint ventures

Particulars	Country of Domicile	Holding as at		
		31st March 2023	31st March 2022	1st April 2021
Flame Facilities Private Limited	India	100%	100%	100%
Krystal Gourmet Private Limited	India	100%	100%	100%
BVG Krystal JV	India	49%	49%	49%
Krystal Acuschem JV	India	97%	97%	97%

Enterprises over which Key Management Personnel and their relatives exercise significant influences or control with whom transaction have been entered during the year
Krystal Aviation Services Private Limited
DR Deli Private Limited
Volksara 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
Healthing Services and Applications
Healthing & Care Services LLP
Mumbai District Central Co-operative Bank Ltd.

Key Management Personnel
Mrs. Neeta Lad
Mr. Pravin Lad
Mr. Sanjay Dighe
Ms. Saily Lad
Mr. Shubham Lad

Relative of Key Management Personnel
Mr. Prasad Lad
Mr. Prasad Lad HUF
Mrs. Surekha Lad

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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	2020-21
1	Sale of Service			
	- Volksara Techno Solutions Private Limited	-	5.46	
	- Krystal Allied Services Private Limited	26.51	13.59	0.64
	- Krystal Aviation Services Private Limited	9.88	-	-
	- Krystal Acquachem JV	81.73	63.60	12.27
	- Prasad Lad	0.29	-	-
2	Rent expense paid to			
	- Neeta Lad	2.52	2.52	2.52
	- Prasad Lad	2.52	2.52	2.52
	- Prasad Lad HUF	0.43	0.43	0.43
3	Professional fees paid to			
	- Krystal Aviation Services Private Limited	-	-	-
	- Volksara Techno Solutions Private Limited (Formerly : Krystal Techno Engineering services Private Limited)	-	8.24	17.55
	- Krystal Family Holding Private Limited	0.56	1.15	0.86
	- Saily Lad	1.67	1.35	1.33
4	Site expenses			
	- Volksara Techno Solutions Private Limited (Formerly : Krystal Techno Engineering services Private Limited)	-	67.23	0.04
5	Manpower expenses			
	- Krystal Aviation Services Private Limited	7.89	6.07	4.92
6	Purchase of materials			
	- Krystal Aviation Services Private Limited	-	-	2.63
7	Cleaning charges			
	- Krystal Allied Services Private Limited	0.08	-	-
8	Interest expenses			
	- Mumbai District Central Co-operative Bank Ltd.	-	-	-
	- Mumbai District Central Co-operative Bank Ltd. (Overdraft 1)	5.27	6.08	0.27
	- Mumbai District Central Co-operative Bank Ltd. (Overdraft 2)	12.72	12.75	10.01
	- Mumbai District Central Co-operative Bank Ltd. (Covid Funding)	0.73	2.31	1.58
	- Mumbai District Central Co-operative Bank Ltd. (Term Loan)	18.54	22.22	25.70
	- Navagunjara Financial Pvt Ltd	3.45	-	-
9	Sale of Fixed Assets			
	- Volksara Techno Solutions Private Limited (Formerly : Krystal Techno Engineering services Private Limited)	-	-	0.05
10	Remuneration			
	- Prasad Minesh Lad	59.63	42.59	41.95
	- Neeta Lad	25.13	20.10	19.70
	- Praveen Lad	9.46	7.47	7.56
	- Sanjay Dighe	20.86	9.96	11.87
	- Shubham Lad	4.96	1.90	3.80
	- Saily Lad	-	-	-
	- Surekha Lad	2.26	1.81	1.78
	- Shalini Agrawal	0.35	0.32	0.24
11	Loan Given			
	- Krystal Allied Services Private Limited	32.54	-	0.20
12	Loan Received back			
	- Krystal Allied Services Private Limited	-	-	0.20

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13	Other Payables			
	- Volksara Techno Solutions Private Limited (Payable Pursuant to scheme of arrangement. Refer note 43)	39.22	-	-
14	Loan taken			
	- Krystal Family Holding Private Limited	-	46.10	5.00
	- Krystal Aviation Services Private Limited	-	4.29	4.20
	- Navagunjara Financial Pvt Ltd	139.25	29.55	-
	- Neeta Lad	18.30	2.00	1.50
	- Saily Lad	-	3.23	1.50
	- Shubham Lad	-	2.00	1.50
	- Prasad Lad	-	21.00	22.84
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	5.00
	- Krystal Aviation Services Private Limited	-	4.29	4.20
	- Navagunjara Financial Pvt Ltd	43.48	29.55	-
	- Neeta Lad	10.55	2.00	1.50
	- Saily Lad	-	3.23	1.50
	- Shubham Lad		2.00	1.50
	- Prasad Lad	23.23	21.00	22.84
	Balance outstanding at the end of year:			
1	**Loan Given**			
	- Krystal Allied Services Private Limited	32.59	-	-
	- Prasad Lad	0.12	-	-
2	Loan Taken			
	- Navagunjara Financial Pvt Ltd	98.84	-	-
	- Mumbai District Central Co-operative Bank Ltd.	150.14	186.28	218.32
3	Investment in Subsidiary/JV			
	- Krystal Aquachem JV	8.85	1.48	0.10
	- Mumbai District Central Co-operative Bank Ltd.	13.88	11.13	8.27
4	**Account Payable**			
	- Volksara Techno Solutions Private Limited	-	18.65	16.27
	- Krystal Aviation Services Private Limited	3.37	2.61	2.06
	- Krystal Family Holding Private Limited	0.49	0.81	0.35
	- Mumbai District Co-operative Bank(Overdraft-1)-Sanctioned Amount- 160 millions	(5.28)	(21.92)	50.00
	- Mumbai District Co-operative Bank(Overdraft-2)-Sanctioned Amount- 120 millions	117.48	45.36	116.00
	- Mumbai District Co-operative Bank(Covid Funding)-Sanctioned Amount- 25 millions	-	12.68	25.27
	- Prasad Lad	4.40	25.24	35.75
	- Neeta Lad	1.11	11.51	11.69
	- Saily Lad	0.40	0.30	0.10
	- Prasad Lad HUF	0.03	-	0.03
	- Praveen Lad	0.55	0.46	0.48
	- Sanjay Dhige	0.55	0.51	0.48
	- Shubham Lad	0.29	0.12	0.13
	- Surekha Lad	0.13	0.13	0.13
	- Shalini Agrawal	0.03	0.03	0.03
5	**Account Receivables**			
	- Krystal Allied Services Private Limited	7.67	4.18	0.29
	- Krystal Aviation Services Private Limited	-	-	-
	- Krystal Aquachem JV	28.37	26.02	6.05

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.

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Note 38 - Disclosure under Ind AS 115 - Revenue from contracts with customers

The Group is engaged into manpower, catering and related service. There is no impact on the Group'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*	4,272.98	3,230.91
Manpower Services	1,784.11	1,474.94
Security Agency Services	924.46	772.96
Catering Service	94.81	48.95
Total	7,076.36	5,526.76

* MTC 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	193.71	111.11
Over the period of time	6,882.65	5,415.65
Total Revenue	7,076.36	5,526.76
Revenue by geographical market		
India*	7,076.36	5,526.76
	7,076.36	5,526.76

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

Contract balances

The following table provides information about category of trade receivables.

Particulars	31st March 2023	31st March 2022	1st April 2021
Billed	736.44	1,607.87	1,412.52
Unbilled	759.67	803.73	594.91
Total	1,496.11	2,411.60	2,007.43

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	(718.88)	(233.39)
Less: Loss allowance recognised during the year	(0.41)	(0.01)
Balance as at the end of the year	759.67	803.73

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	193.71	111.11
Adjustments made to contract price on account of :		
a) Discounts / Rebates / Incentives	-	-
b) Sales Returns /Credits / Reversals	-	
Revenue from contract with customer	193.71	111.11

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	19.88	4.77	5.54
Less: amount recognised in revenue	(19.35)	(4.34)	(5.05)
Add: amount received in advance during the year	0.98	19.45	3.28
Closing contract liabilities	1.51	19.88	3.77

(All Amounts are ₹ in Millions unless otherwise stated)

Note 39 : Leases

The Company's lease asset primarily consist of leases for buildings and Plant & Machinery having various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Following is carrying value of right of use assets and the movements thereof
Right-of-use assets

Particulars	For the year ended		
	31st March 2023	31st March 2022	1st April 2021
	Building		
Opening Gross Block	45.26	44.52	20.00
Addition	25.82	0.73	24.51
Deletion	-6.16	-	-
Closing Gross Block	64.92	45.25	44.51
Opening Accumulated amortisation	30.85	14.58	9.59
Addition	11.75	16.26	4.99
Deletion	-1.01	-	-
Closing Accumulated amortisation	41.59	30.84	14.58
Net Block as on	23.33	14.41	29.93

Following is carrying value of Lease Liability and the movements thereof :
Lease Liability

Particulars	For the year ended		
	31st March 2023	31st March 2022	1st April 2021
	Building		
Opening Balance	14.08	28.52	17.40
Addition	24.52	0.73	24.51
Interest Cost accrued during the year	2.49	2.39	2.28
Lease liability payment	(9.46)	(17.57)	(15.67)
Deletion			
Closing Balance	31.63	14.07	28.52
Current lease liability	9.01	9.71	13.43
Non - Current lease liability	16.45	4.37	15.09
Total lease liability	25.46	14.08	28.52

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	For the year ended		
	31st March 2023	31st March 2022	1st April 2021
Not later than one year	9.01	9.71	13.43
Later than one year and not later than five years	17.05	5.07	15.68
Later than five years	-	-	-

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(All Amounts are ₹ in Millions unless otherwise stated)

Note 40 : Tax expense

(a) Amounts recognised in profit and loss

	For the year ended	
	31st March 2023	31st March 2022
Current income tax	72.24	64.86
Changes in tax estimates of prior years	-	
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(27.06)	25.79
Change in tax rate	7.27	(7.71)
Deferred tax expense	(19.79)	18.06
Tax expense for the year	52.45	82.92

(b) Amounts recognised in other comprehensive income

	For the year ended 31st March 2023			For the year ended 31st March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	4.52	(1.29)	3.23	21.22	(5.17)	15.05
	4.52	(1.29)	3.23	21.22	(5.17)	15.05

	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	21.22	(6.17)	15.06	8.37	(2.89)	5.46
	21.22	(6.17)	15.06	8.37	(2.89)	5.46

(c) Reconciliation of effective tax rate

	For the year ended	
	31st March 2023	31st March 2022
Profit before tax	436.57	344.42
Tax using the Company's domestic tax rate	152.19	120.25
Tax effect of:		
Non-deductible tax expenses	226.49	330.27
SGUA Tax (utilised) / incentive	(414.47)	(416.17)
Others	88.25	48.58
	52.45	82.92
Effective Rate of Income Tax	12.01%	24.08%

(d) Movement in deferred tax balances

	Net balance 1st April 2022	Recognised in profit or loss	Recognised in OCI	31st March 2023 Net	31st March 2023 Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	16.45	(4.58)		11.87	11.87
Security deposits	(0.35)	(0.24)		(0.59)	(0.59)
Compensated absences, gratuity and equity valuation	(11.88)	24.25	(1.29)	11.08	11.08
Trade receivables	51.86	0.24		52.10	52.10
Other current liabilities & borrowings	(0.06)	0.11	-	0.05	0.05
Tax assets (Liabilities)	56.00	19.80	(1.29)	74.51	74.51

(All Amounts are ₹ in Millions unless otherwise stated)

(e) Movement in deferred tax balances

	Net balance 1st April 2021	Recognised in profit or loss	Recognised in OCI	31st March 2022 Net	31st March 2022 Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	12.24	4.21	-	16.45	16.45
Security deposits	(0.20)	(0.15)		(0.35)	(0.35)
Compensated absences, gratuity and other benefits	5.48	(11.19)	(0.17)	(11.88)	(11.88)
Trade receivables	62.89	(11.05)	-	51.84	51.84
Other current liabilities & borrowings	(0.18)	0.12		(0.06)	(0.56)
Tax assets (Liabilities)	80.23	(18.06)	(0.17)	56.00	56.00

(e) Movement in deferred tax balances

	Net balance 1st April 2020	Recognised in profit or loss	Recognised in OCI	31st March 2021 Net	31st March 2021 Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	15.98	(3.74)		12.24	12.24
Security deposits	-	(0.20)	-	(0.20)	(0.20)
Compensated absences, gratuity and equity valuation	10.20	(1.82)	(2.90)	5.48	5.48
Trade receivables	10.16	52.73	-	62.89	62.89
Other current liabilities & borrowings	-	(0.18)	-	(0.18)	(0.18)
Tax assets (Liabilities)	36.34	46.79	(2.90)	80.23	80.23

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Tax losses for which no deferred tax asset was recognised

	31st March 2023	31st March 2022
In respect of capital loss :		
Expiry date 31/3/2025		-

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Note 45 : Disclosures on Financial Instruments
Financial Instruments - Fair values and risk management

A. Accounting classification and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31st March 2023	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents		-	191.65	191.65		-	191.65	191.65
Investments	-		28.54	28.54	-	-	28.54	28.54
Non-current Financial Assets	-	-	339.69	339.69		-	339.69	339.69
Trade receivables	-	-	1,496.10	1,496.10	-	-	1,496.10	1,496.10
Current Financial Assets - Loans	-		251.51	251.51	-	-	251.51	251.51
Other financial assets		-	440.65	440.65	-	-	440.65	440.65
	-	-	2,808.54	2,808.54		-	2,808.54	2,808.54
Financial liabilities								
Non Current Borrowings	-	-	397.54	397.54	-		397.54	397.54
Current borrowings	-	-	282.37	282.37	-	-	282.37	282.37
Lease Liabilities	-	-	25.46	25.46		-	25.46	25.46
Trade payables	-	-	158.50	158.50	-	-	158.50	158.50
Other financial liabilities	-	-	555.08	555.08	-	-	555.08	555.08
	-	-	1,418.95	1,418.95	-	-	1,418.95	1,418.95

31st March 2022	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances other than cash and cash equivalents	-	-	333.65	333.65	-	-	333.65	333.65
Investments	-	-	18.54	18.54	-	-	18.54	18.54
Non-current Financial Assets	-	-	218.96	218.96	-	-	218.96	218.96
Trade receivables		-	2,411.60	2,411.60	-		2,411.60	2,411.60
Current Financial Assets - Loans	-		18.02	18.02	-	-	18.02	18.02
Other financial assets	-	-	243.44	243.44	-	-	243.44	243.44
	-	-	3,244.21	3,244.21	-	-	3,244.21	3,244.21
Financial liabilities								
Non Current Borrowings		-	288.16	288.16		-	288.16	288.16
Current borrowings			437.34	437.34	-	-	437.34	437.34
Lease Liabilities	-	-	34.08	34.08		-	34.08	34.08
Trade payables	-	-	534.97	534.97	-	-	534.97	534.97
Other financial liabilities			557.92	557.92	-	-	557.92	557.92
	-	-	1,852.47	1,852.47	-	-	1,852.47	1,852.47

1st April 2021	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and Bank balances		-	232.73	232.73	-	-	232.73	232.73
Investments		-	14.69	14.69	-	-	14.69	14.69
Non-current Financial Assets	-	-	59.34	59.34	-	-	59.34	59.34
Trade receivables	-	-	2,002.43	2,002.43		-	2,002.43	2,002.43
Current Financial Assets - Loans	-	-	16.94	16.94	-	-	16.94	16.94
Other financial assets	-		113.30	113.30	-	-	113.30	113.30
	-		2,439.43	2,439.43	-	-	2,439.43	2,439.43
Financial liabilities								
Non Current Borrowings	-	-	369.33	369.33	-	-	369.33	369.33
Current borrowings	-		382.79	382.79	-		382.79	382.79
Lease Liabilities			28.52	28.52	-	-	28.52	28.52
Trade payables		-	279.37	279.37	-	-	279.37	279.37
Other financial liabilities	-		567.59	567.59	-	-	567.59	567.59
	-	-	1,628.60	1,628.60		-	1,628.60	1,628.60

Krystal Integrated Services Limited (formerly known as Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to Consolidated Financial Statements

Note 41 : Disclosures on financial instrument
Financial instruments – Fair values and risk management

B. Measurement of fair values (Key inputs for valuation techniques) :
1. Listed Equity Investments (other than Subsidiary, Associates, Joint Venture) : Quoted bid price on Stock Exchange (Level 1)
2. Valuation technique and significant unobservable inputs : Not applicable (Level 3)

C. Transfers between Levels 1 and 2
There were no transfers from Level 1 to Level 2 or vice versa in any of the years reported.

D. Financial risk management
The Company has exposure to the following risks arising from financial instruments :
- Credit risk ;
- Liquidity risk ; and
- Market risk

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

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

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

The carrying amount of following financial assets represents the maximum credit exposure :
Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables in accordance of the requirement of Ind AS 109.

As at the reporting date, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows :

	Carrying Amount (₹ in Millions)		
	31st March 2023	31st March 2022	1st April 2021
India	1,456.30	2,411.60	2,002.43
Other regions*	-	-	-
	1,456.30	2,411.60	2,002.44

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including by management.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows :

	31st March 2023	31st March 2022	1st April 2021
Opening balance	157.46	164.14	8.57
Provision for receivables impairment	0.83	(6.68)	155.83
Closing balance	158.37	157.46	164.38

(All Amounts are in INR Millions unless otherwise stated)

Note 41 - Disclosures on Financial Instruments
Financial Instruments – Fair values and risk management

Cash and cash equivalents
The Company maintains its cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit worthiness on an on-going basis.

Derivatives
The derivatives are entered into with AD category banks in OTC market and registered brokers in NSE market.

(ii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

31st March 2022	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-Current Borrowings	197.54	-	197.54	-	
Current borrowings	282.97	183.57		-	
Lease Liabilities	36.46	36.45	0.01	-	
Trade payables	158.50	158.50	-		
Other financial liabilities	555.08	555.08	-	-	

31st March 2021	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-Current Borrowings	255.16	-	255.16	-	
Current borrowings	437.34	437.34		-	
Lease Liabilities	14.08	5.71	8.37	-	
Trade payables	514.57	514.57	-	-	
Other financial liabilities	597.92	597.92	-		

1st April 20[illegible]	Carrying amount	Contractual cash flows			
		12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non-Current Borrowings	325.33	-	325.33	-	
Current borrowings	361.75	364.79	-	-	
Lease Liabilities	48.51	33.44	15.07	-	
Trade payables	379.47	379.47	-	-	
Other financial liabilities	567.55	567.55	-		

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflows and outflow amounts for derivatives that have simultaneous gross cash settlement.

(All Amounts are ₹ in Millions unless otherwise stated)

Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its borrowings, Trade payable, other payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing financial instruments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings and fixed income financial instruments. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31st March 2023	31st March 2022	1st April 2021
Fixed-rate instruments			
Financial assets	563.98	139.04	61.31
Financial liabilities	230.14	434.29	303.83
	333.84	(295.25)	(242.52)
Variable-rate instruments			
Financial assets			
Financial liabilities	249.77	291.21	349.28
	(249.77)	(291.21)	(349.28)
Total	**84.06**	**(586.46)**	**(591.80)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

KRYSTAL INTEGRATED SERVICES LTD. MUMBAI

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency exchange rates, remain constant.

(₹ in Millions)	Profit or (loss) before tax	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
31st March 2023		
Variable-rate instruments	2.50	(2.50)
Cash flow sensitivity (net)	2.50	(2.50)
31st March 2022		
Variable-rate instruments	2.91	(2.91)
Cash flow sensitivity (net)	2.91	(2.91)
1st April 2021		
Variable-rate instruments	3.49	(3.49)
Cash flow sensitivity (net)	3.49	(3.49)

(All Amounts are ₹ in Millions unless otherwise stated)

Note 42 : Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2023, 31 March 2022 and 1st April 2021 was as follows.

	31st March 2023	31st March 2022	1st April 2021
Long term borrowings	197.54	288.16	269.33
Short term Borrowings	282.37	437.34	383.79
Lease liabilities (current and non-current)	25.46	14.08	28.52
Less : Cash and cash equivalent including bank balances other than cash and cash equivalents	504.12	354.67	277.10
Adjusted net debt	1.25	384.91	404.54
Total equity	1,634.12	1,638.56	1,360.76
Adjusted equity	1,634.12	1,638.56	1,360.76
Adjusted net debt to adjusted equity ratio	0.00	0.23	0.30

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA etc. which is maintained by the Company.

The Company has undrawn borrowing facilities (excluding non-fund based facilities) aggregating to ₹ 21.7 Millions (31st March 22 : ₹ 330 Millions and 1st April 2021 ₹ 105 Millions).

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Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to Consolidated Financial Statements

Note 48 : Segment Reporting

The Company is required to disclose segment information based on the 'management approach' as defined in Ind AS 108 - Operating Segments, which is how the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on the analysis of the various performance indicators. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of rendering security services in India. Accordingly, the Company is a single CGU, hence single segment Company. The information as required under Ind AS 108 is available directly from the financial statements, hence no separate disclosures have been made.

Operating segment
The Group's business is concentrated in various service offerings like temporary staffing services, executive search, contingency recruitment, housekeeping and facility management services, food services, skill development and training services and accordingly primary segment information is presented on the following service offerings.

Reportable segments
Manpower and related service
Catering service

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

A) Operating segment information for the period from 1st April 2022 to 31st March 2023 is as follows: (by Business Segments)

Particulars	Manpower and Related Service	Catering Service	Consolidated for year ended 31st March 2023
Income			
Revenue from operations	6,981.55	94.81	7,076.36
Other income	25.55	7.73	33.28
Total Revenue	7,007.10	102.54	7,109.64
Expenses			
Material consumed	363.45	59.70	423.15
Employee benefit expenses	5,893.43	25.70	5,919.03
Finance costs	94.80	0.10	94.91
Depreciation and amortisation expenses	43.44	3.15	46.57
Other expenses	313.11	23.47	335.93
Total Expenses	6,608.09	111.45	6,719.49
Profit before tax	399.01	(8.90)	390.15
Other information			
Total Carrying amount of asset	3,299.30	135.38	
Total Carrying amount of liability	1,683.57	115.99	

B) Operating segment information for the period from 1st April 2021 to 31st March 2022 is as follows: (by Business Segments)

Particulars	Manpower and Related Service	Catering Service	Consolidated for year ended 31st March 2022
Income			
Revenue from operations	5,478.71	48.05	5,526.76
Other income	18.57	3.25	21.83
Total Revenue	5,497.28	51.30	5,548.59
Expenses			
Material consumed	206.85	35.41	242.26
Employee benefit expenses	4,700.83	17.45	4,718.28
Finance costs	87.75	0.01	87.78
Depreciation and amortisation expenses	47.45	0.51	47.96
Other expenses	180.00	11.75	191.75
Total Expenses	5,217.86	59.65	5,277.53
Profit before tax	279.44	(8.35)	271.06
Other information			
Total Carrying amount of asset	3,676.42	167.41	
Total Carrying amount of liability	2,255.18	154.13	

ii) Secondary Segment Reporting (by Geographical Segment)
The Company's operations are mainly confined within India, as such there are no reportable geographical segments.

(All Amounts are ₹ in Millions unless otherwise stated)

Note - 44

Scheme of Arrangement

Description of Scheme of Arrangement of Krystal Integrated Services Private Limited and Volksara Techno Solutions Private Limited and their respective Shareholders and Creditors:

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai, on June 20, 2022, sanctioned the Scheme of Arrangement ("Scheme") between Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited) ("Company" or "KISPL") and Volksara Techno Solutions Private Limited ("Resulting Company" or "Volksara") and their respective shareholders and creditors for the demerger of the Smart city units (collectively referred to as "Demerged Undertaking") of the Company to Volksara. The Scheme became effective on July 15, 2022, upon filing of the certified copies of the NCLT Order sanctioning the Scheme, by both the companies, with the Registrar of Companies, Mumbai. Pursuant to the Scheme becoming effective, the Demerged undertaking has been transferred to and vested in Volksara with effect from April 1, 2020, i.e. the Appointed Date

As per the clarification issued by Ministry of Corporate Affairs vide Circular no.09/2019 dated August 21, 2019 (MCA Circular), the Company has recognized the effect of the demerger on April 1, 2021, and made the following adjustments, pursuant to the Scheme

- All the assets and liabilities of the Demerged Undertaking have been transferred to Volksara. Difference between the value of transferred assets and liabilities pertaining to the demerged undertaking amounting to ₹ 392.13 Mn has been adjusted from the reserves.

Further, the standalone statement of profit and loss for the year ended March 31, 2022 and March 31, 2021 have been restated by the management to give effect of the Scheme. The transferred business as defined in the 'Scheme have been disclosed as Discontinued Operations' in the standalone financial statements for the year ended March 31, 2022 and March 31, 2021 as per the requirements of Ind AS 105 (refer note no)

Balance Sheet as at March 31, 2022 and March 31, 2021 and Statement of Cash Flow for the year ended March 31, 2022 and March 31, 2021 are not comparable with the previous year Balance Sheet and Statement of Cash Flow, respectively, since these include the Demerged Undertaking's figures.

The transactions pertaining to the transferred business of the Company from the appointed date upto the effective date of the Scheme have been deemed to be made by DBOI.

The impact of the Demerger on these financial statements is as under.

The whole of the assets and liabilities of the Demerged Undertaking became the assets and liabilities of the resulting Company and were transferred at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date (i.e. April 1, 2020).
The details of assets and liabilities transferred to the resulting Company are as under:

Particulars	As at 15th July 2022	As at 31st March 2022	As at 1st April 2021	As at 31st Mar 2020
Non current assets				
Property, Plant and Equipments				
Property, Plant and Equipment	0.22	0.20	0.19	0.06
Intangible assets	0.01	0.01	0.02	-
Financial Assets				
(a) Other financial assets	10.99	3.84	(6.55)	13.11
Total non-current assets	11.22	4.05	(6.35)	13.17
Current assets				
Inventories	64.75	55.15	18.20	17.75
Financial Assets				
(a) Trade receivables	420.00	617.67	362.17	497.37
(a) Other financial assets	79.95	32.10	44.10	19.42
Total current assets	563.68	704.92	424.42	534.54
Total Assets	574.90	708.97	418.07	547.71
Less:				
Non-current liabilities				
Borrowings	46.81	80.77	-	-
Current liabilities				
Borrowings	0.00	20.01	-	-
Financial liabilities				
(a) Trade Payables				
Outstanding dues to MSME	-	-	4.87	-
Outstanding dues other than MSME	105.51	185.81	172.72	318.58
Other Current liabilities	30.45	61.46	(52.07)	6.26
Total Liabilities	182.77	348.05	125.52	324.83
Net Assets	392.13	360.92	292.55	222.88

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

Adjustment to Reserves

Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the resulting Company has been debited to the following reserves of the Company as on Appointed date [illegible]

Particulars	Amount Debited
Balance transferred pursuant to scheme of arrangement (refer note (i) below)	392.13
Total	392.13

Note (i)

The Smart City Business of the Company has been demerged and transferred to Volksara Techno Solutions Private Limited with effect from 19th July' 2022 (appointed date) as per the Hon'ble National Company Law Tribunal, Mumbai Bench Order dated 20th June 2022. The invoicing of such business has been continued by the Company (Demerged Business) in trustee capacity as per the Mandatory mandate of the Customers even after Appointed date on behalf of the Volksara Techno Solutions Private Limited. The income / expenses relating to the same has however been transferred to the resulting company by Demerged company and hence there is no impact in the books of accounts of the company.

Details of the contingent liabilities and commitments transferred to the Resulting Company Are as under:

Particulars
Nil

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Notes to Consolidated Financial Statements

Note - 44

Discontinued Operations

Financial information relating to the discontinued operations i.e. transferred businesses of the Company to the resulting Company as defined in the Scheme for the period to the appointed date is set out below:

Statement of Profit and Loss

Particulars	For the year ended	
	31st March 2022	1st April 2021
Income		
Revenue from operations	941.87	448.01
Other Income	0.65	0.49
Total Income	942.52	448.50
Expenses		
Cost of materials consumed	776.30	300.99
Employee benefit expense	26.24	25.69
Finance costs	22.56	4.03
Depreciation and amortization expenses	0.07	0.04
Other expenses	44.00	19.97
Total Expenses	869.17	350.73
Profit / (loss) before exceptional items and tax	73.36	97.77
Exceptional items	-	-
Profit / (loss) before tax	73.36	97.77
Tax expense:		
Current tax	20.20	28.11
Deferred tax	-	-
Total Tax Expenses	20.20	28.11
Profit for the year	53.16	69.66

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Notes to Consolidated Financial Statements

Note - 45
First-time Ind AS adoption reconciliations
Reconciliation of total equity as at 31 March 2022 and 01 April 2021 and profit or loss for the year ended 31 March 2022:

Particulars	Note No.	Total comprehensive income reconciliation for the year ended	Equity reconciliation as at	
		31st March 2022	31st March 2022	1st April 2021
Net profit / equity as per previous GAAP		274.55	1,672.81	1,398.26
IndAS Adjustments:				
Expected Credit Loss	a	16.84	(131.88)	(148.71)
Lease Liability	b	(1.67)	(3.03)	(1.33)
Finance Income	c	1.22	1.22	-
Loan processing fees / transaction costs	d	(0.35)	0.18	0.51
Deferred Tax	e	(14.04)	37.19	51.23
Impact on account of investment carried at FVTPL		(0.01)	-	0.01
Profit From JV		1.23	4.43	3.17
Total		3.24	(91.89)	(95.12)
Net profit / Equity for the year as per Ind AS		277.79	1,580.92	1,303.14
Other comprehensive income (net of tax)	f	(15.05)		-
Net profit before OCI / Other equity as per Ind AS		262.74	1,580.92	1,303.14

Notes:

a Expected Credit loss on Financial Assets

Under Previous GAAP, the Company had created provision for impairment of receivables consisting only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model.

b Interest expense on lease liability

Under previous GAAP, lessee classified a lease as an operating lease or a finance lease based on whether or not the lease transferred substantially all the risk and rewards incident to the ownership of the asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangements that fall under the definition of lease except those for which short term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

c Finance Income

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as part of the Right of Use Asset and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

c Loan processing fees / transaction costs

Under Ind AS such expenditure are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

d Deferred Tax

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

e Defined Benefit Obligation :

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised in Other Comprehensive Income (OCI)

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(All Amounts are ₹ In Millions unless otherwise stated)

Note 46 - Contingent liabilities and commitments (to the extent not provided for)

	31st March 2023	31st March 2022	1st April 2021
a. Contingent liabilities			
Demands raised by income tax authorities*	203.14	39.79	39.79
Provident fund dues	142.37	63.94	63.94
Interest liability on GST/Service Tax	31.49	-	-
Demands raised by Service tax authorities	6.37	6.37	6.37
Claims against the company not acknowledged as Debts	-	-	-

* Out of above, Company has already deposited Rs. 40 Lakhs (Previous Year 40 Lakhs) with the Income tax authorities.
The Management is of the view that it has valid grounds to defend the demand raised by Provident Fund Department for Damages and Interest Liabilities and consequently no effect was given in the accounts.

c. Commitments	31st March	31st March	1st April 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. Based on the opinion received, the company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise Stated)
Notes to Consolidated Financial Statements

Note - 47
Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

31st March 2023

Name of entity	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as percentage of consolidated net assets	Amount	as percentage of consolidated net assets	Amount	as percentage of consolidated net assets	Amount	as percentage of consolidated net assets	Amount
Parent								
Krystal Integrated Services Private Limited	98%	1,610.15	99%	383.03	76%	2.53	99%	384.56
Subsidiaries								
Flame Facilities Private Limited	0%	3.06	0%	1.56	14%	0.47	0%	1.88
Krystal Gourmet Private Limited	2%	32.97	1%	5.77	9%	0.23	1%	4.00
Total		1,634.11		384.43		3.33		387.66

31st March 2022

Name of entity	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as percentage of consolidated net assets	Amount	as percentage of consolidated net assets	Amount	as percentage of consolidated net assets	Amount	as percentage of consolidated net assets	Amount
Parent								
Krystal Integrated Services Private Limited	98%	1,533.75	[illegible]	260.51	455%	14.50	[illegible]	275.01
Subsidiaries								
Flame Facilities Private Limited	0%	3.39	0%	0.35	5%	0.50	0%	1.08
Krystal Gourmet Private Limited	2%	34.33	0%	0.51	3%	(0.04)	0%	0.47
Total		1,538.59		262.16		15.06		277.80

KRYSTAL INTEGRATED SERVICES LTD.
MUMBAI

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to Consolidated Financial Statements

Note - 48
Other Statutory Information
(i) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The company does not have any transactions with companies struck off.
(iii) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
(iv) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(v) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Company has not been declared as Wilful defaulter by any Banks, Financial Institution or Other lenders.
(ix) The Company is in compliance with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

Note - 49
Maintenance of Books of Accounts under Section 128 of the Companies Act, 2013
The Company has defined process to take daily back-up of books of account maintained electronically and complied with the provisions of The Companies (Accounts) Rules, 2014 (as amended). However, the Company's IT [illegible] has maintained logs of the daily back up of such books of account only for [illegible] days and hence audit trail in relation to daily backup [illegible] was not available for full year.

Note - 50
In the opinion of the management, the current assets, loans and advances and current liabilities are approximately of the value stated, if realised / paid in ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note - 51
Balances of advances, deposits, trade receivables, trade payables and other debit and credit balances are subject to confirmation and reconciliation in certain cases. Adjustments, if any, in this regard would be carried out as and when ascertained, which in view of the management would not be material.

Note - 53
Subsequent events
The Board of Directors in its meeting dated 20th September 2023 Approved issue of [illegible] bonus equity share for each equity share held by respective shareholder as on record date, subject to approval by shareholders.

Note - 54
Previous years figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached

For T R Chadha & Co. LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

Alka Hingar
Partner
Membership No. 104574
Place: Mumbai
Date: 26/9/2023

For and on behalf of the Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private
CIN: L74920MH2000PLC129827

Neeta Lad
Managing Director
(DIN-[illegible])

Sanjay Dighe
Whole Time Director and CEO
(DIN-[illegible])

Sarun Dey
Chief Financial Officer

Stuti Maru
Company Secretary and Compliance Officer
Membership No. A[illegible]

Place: Mumbai
Date:

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to Consolidated Financial Statements

Note - 52
Ratio analysis and its elements

(i) Current Ratio = Current Assets divided by Current Liabilities

	Particulars	31st March 2023	31st March 2022
A	Current Assets	2,055.27	2,888.20
B	Current Liabilities	1,583.91	2,110.46
	Ratio (A/B)	1.30	1.37
	% change from previous year	-5.18%	

(ii) Debt Equity Ratio = Total Debt divided by Total Equity

	Particulars	31st March 2023	31st March 2022
A	Total Debt*	505.98	739.56
B	Total Equity	1,634.12	1,638.56
	Ratio (A/B)	0.31	0.45
	% change from previous year	-31.48%	

* It includes current and non-current Borrowings and Lease Liabilities

Reason for change more than 25%: Variances is mainly due to following reasons-
- Fresh loan taken during the year however, Repayment of borrowings is comparatively high as per the sanction terms
  Better collection towards the end of year which is routed through Cash Credit account
- Transfer of loans related to Demerged Business(Smart City)

(iii) Debt service coverage ratio = Earnings available for debt services divided by total interest and principal repayments

	Particulars	31st March 2023	31st March 2022
A	Earnings available for debt services	531.49	432.11
B	Total interest and principal repayments*	189.04	296.03
	Ratio (A/B)	2.81	1.46
	% change from previous year	92.16%	

* It includes Finance cost, Principal repayment of long term loans and lease payments

Reason for change more than 25%:
Finance cost increased due to increase in bank guarantee commission and increased loan processing charges on fresh loans taken.

(iv) Return on equity ratio = Net profit after tax divided by Average Equity

	Particulars	31st March 2023	31st March 2022
A	Profit after tax (attributable to owners)	384.44	262.74
B	Average net worth	1,658.48	1,509.92
	Ratio (A/B)	23.18%	17.40%
	% change from previous year	33.21%	

Reason for change more than 25%:
For the year ended 31st March 2023 and 31st March 2022: The Group's overall business have improved which has resulted in increase in PAT.

(v) Inventory Turnover Ratio = Cost of Material Consumed divided by Average Inventory

	Particulars	31st March 2023	31st March 2022
A	Cost of material consumed	323.05	242.26
B	Average Inventory	32.46	40.62
	Ratio (A/B)	9.95	5.96
	% change from previous year	66.87%	

Reason for change more than 25%:
For the year ended 31st March 2023: Reduction in inventory due to transfer of inventory related to Demerged Business(Smart City).

(vi) Trade receivable turnover ratio = Revenue from Operation divided by Average Trade Receivables

	Particulars	31st March 2023	31st March 2022
A	Revenue from operation	7,076.36	5,526.76
B	Average trade receivables	1,953.85	2,207.02
	Ratio (A/B)	3.62	2.50
	% change from previous year	44.63%	

Reason for change more than 25%:
The variance is owing to better recoverability and transfer of receivables of smart city business

(vii) Trade payable turnover ratio = Cost of Material Consumed divided by Average Trade Payable

	Particulars	31st March 2023	31st March 2022
A	Cost of material consumed	323.05	242.26
B	Average Trade payable	336.74	447.17
	Ratio (A/B)	0.96	0.54
	% change from previous year	77.08%	

Reason for change more than 25%:

For the year ended 31st March 2023: The variance is owing to transfer of payables related to Demerged business (Smart City).

(viii) Net Capital Turnover Ratio = Revenue From Operation divided by Average Working Capital

	Particulars	31st March 2023	31st March 2022
A	Revenue from operation	7,076.36	5,526.76
B	Current assets	2,055.17	2,888.20
C	Current liabilities	1,582.91	2,110.49
D	Net working capital (D = B - C)	472.27	777.75
E	Average working capital	624.55	744.49
	Ratio (A/E)	11.33	7.42
	% change from previous year	52.69%	

Reason for change more than 25%:

Overall increase is on account of increased revenue from operations.

(ix) Net Profit Ratio = Profit After Tax divided by Revenue From Operation

	Particulars	31st March 2023	31st March 2022
A	Profit after tax	384.49	257.74
B	Revenue from operation	7,076.36	5,526.76
	Ratio (A/B)	5%	5%
	% change from previous year	14.39%	

(x) Return on capital employed = Earing Before Interest & Tax divided by Average Capital Employed

	Particulars	31st March 2023	31st March 2022
A	Tangible Net Worth *	1,582.48	1,501.76
B	Long term debt **	213.39	292.53
C	Total capital employed (C = A + B)	1,796.07	1,894.29
D	Average capital employed	1,845.18	1,708.02
E	EBIT	551.80	433.44
	Ratio (E/D)	29.91%	25.38%
	% change from previous year	17.62%	

* Tangible net worth = Net worth (total equity excluding other comprehensive income) - Intangible assets - Deferred Tax Assets

** Long term debt = Total Long Term Borrowings + Non-current Lease Liabilities

(xi) Return on Investment

	Particulars	31st March 2023	31st March 2022
A	Profit on sale / FV of investments	-	0.00
B	Value of investments	0.00	0.00
C	Average investments	0.00	0.11
	Ratio (A/C)	0.00%	0.23%
	% change from previous year	-100.00%	

Reason for change more than 25%:

For the year ended 31st March 2023 and 31st March 2022: Overall reduction is mainly on account of disposal of investments.