



**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED  
CONSOLIDATED FINANCIAL INFORMATION**

To  
The Board of Directors  
Krystal Integrated Services Limited  
*(formerly known as Krystal Integrated Services Private Limited)*  
B 2001 / 2002, 20th Floor, Kohinoor Square Building,  
Wing B, N C Kelkar Road, Dadar West,  
Mumbai – 400028  
Maharashtra

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Krystal Integrated Services Limited formerly known as Krystal Integrated Services Private Limited (the “**Company**” or “**Issuer**”) and its subsidiaries and its joint venture, (the Company and its subsidiaries and joint venture entity together referred to as the “**Group**”) comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, 2022 and 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the six-month ended September 30, 2023 and for the years ended March 31, 2023, 2022 and 2021 and related notes, including the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “**Restated Consolidated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on February 15, 2024 for the purpose of inclusion in the Red Herring Prospectus (“**RHP**”) and Prospectus and any addendum or corrigendum thereto (collectively, the “**Offer Documents**”) prepared by the Company in connection with its proposed initial public offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”);
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”); and
  - d) E-mail dated 28 October 2021 from Securities and Exchange Board of India (“**SEBI**”) to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the “**the SEBI e-mail**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, and BSE Limited and National Stock Exchange of India Limited relevant stock exchanges where the equity shares of the Company are proposed to be listed (“**Stock Exchanges**”), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2 to the Restated Consolidated Financial Information. The responsibility of the respective board of directors



of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidate Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the ICAI Guidance Note, read with the SEBI e-mail, as applicable.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
- The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 28, 2023 in connection with the proposed IPO of equity shares of the Company;
  - The ICAI Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India; and
  - The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, the Guidance Note and the SEBI e-mail in connection with the proposed IPO.

4. These Restated Consolidated Financial Information have been compiled by the management of the Company from:
- The audited special purpose consolidated interim Ind AS financial statements of the Group as at and for the six-month ended September 30, 2023 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on February 15, 2024;
  - The audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023, prepared in accordance with the Indian Accounting Standards (referred to as “**Ind AS**”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 26, 2023. The comparative information for the year ended March 31, 2022 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Companies as at and for the year ended March 31, 2022, prepared in accordance with the accounting standards notified under the section 133 of the Act (“**Indian GAAP**”) which was approved by the respective board of directors at their meeting held on September 27, 2022 for the Company and on September 26, 2022 for Kystal Gourmet Private Limited and on August 30, 2022 for Flame Facilities Private Limited.
  - The audited special purpose consolidated Ind AS financial statements as at and for the year ended March 31, 2021 prepared on the basis as described in Note 2 A to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on September 26, 2023,



5. For the purpose of our examination, we have relied on:
- Auditors' report issued by us dated February 15, 2024 on special purpose consolidated interim Ind AS financial statements of the Group as at and for the period ended September 30, 2023 as referred in paragraph 4 above.
  - Auditors' report issued by us dated September 26, 2023 on the consolidated financial statements of the Company as at and for the year ended March 31, 2023 which included the comparative numbers for the year ended March 31, 2022 as referred in Paragraph 4 above;
  - Auditors' report issued by us dated September 26, 2023 on the audited special purpose consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2021 as referred in Paragraph 4 above.
6. As indicated in our audit reports referred above:

We did not audit the financial statements of one subsidiary and one joint venture whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in case of joint venture included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, M/s Mahendra Doshi & Associates, Chartered Accountants, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditor ("**Other Auditor**"):

*(INR in Million)*

Particulars	Period ended September 30, 2023	Financial year ended 31 March 2023	Financial year ended 31 March 2022	Financial year ended 31 March 2021
Total Assets	262.67	243.83	29.90	22.30
Total Income	77.91	117.83	88.37	58.49
Net Cash Inflows/(Outflows)	(1.41)	1.09	0.21	(0.01)
Share of Profit/Loss (JV)	0.30	0.31	1.23	1.75

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters. The Other Auditor, as mentioned above, have examined the restated financial information and have confirmed that the restated financial information:

- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month ended September 30, 2023;
- have been prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India as at and for the six-month ended September 30, 2023 and years ended March 31, 2023, 2022 and 2021;
- have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.



7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditors for the respective periods/years, we report that the Restated Consolidated Financial Information:
  - (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month ended September 30, 2023;
  - (b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2020/Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information, have been disclosed in Annexure VI to the Restated Consolidated Financial Information; and
  - (c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note and the SEBI e-mail.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited special purpose interim consolidated financial statements/audited consolidated financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, NSE and BSE and ROC, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**T R Chadha & Co LLP**  
Chartered Accountants



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

**Alka Hinge**  
Partner  
Membership No. 104574

UDIN: 24104574BKASIP8656  
**Place:** Mumbai  
**Date:** February 15, 2024