



CERTIFICATE ON BONUS ISSUE

March 4, 2024

To,

The Board of Directors,
Krystal Integrated Services Limited
Krystal House, 15A17 Shivaji Fort CHS,
Duncans Causeway Road,
Mumbai- 400 022

Inga Ventures Private Limited
1229, Hubtown Solaris, N.S. Phadke Marg,
Opp. Telli Galli, Andheri (East),
Mumbai 400 069

(Inga Ventures Private Limited is appointed in relation to the Offer is referred to as the “**Book Running Lead Manager**” or the “**BRLM**”)

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Offer”) of Krystal Integrated Services Limited (the “Company”)

In connection with the Offer, we, T R Chadha & Co LLP; statutory auditors of the Company, have received a request from the Company to verify and certify that the bonus issuances made by the Company are in compliance with the Companies Act, 1956 and Companies Act, 2013, as applicable.

Bonus I

The Company has made bonus issue of 1,964,000 Equity Shares of Rs. 10 each on September 30, 2008, in the ratio of 1: 20 Equity Shares, in Fiscal 2009 (“**Bonus I**”). The record date for the bonus issuance was September 30, 2008.

In this regard, we have performed the following procedures:

- i. Obtained the financial statements of the Company for the financial year ending March 31, 2008;
- ii. Obtained the minutes of meetings of the board of directors of the Company, the minutes of annual general meetings and extraordinary general meetings for the period from April 1, 2008 till March 31, 2009;
- iii. Examined the record date of Bonus I made by the Company and list of shareholders to whom bonus shares were issued;
- iv. Reviewed the compliances under Companies Act, 1956, as amended along with the relevant form filings; and
- v. Performed necessary inquiries and obtained necessary representations from the management of the Company.

Bonus II

The Company has made bonus issue of 57,62,200 Equity Shares of Rs. 10 each on September 26, 2023, in the ratio of 1: 1 Equity Shares, in Fiscal 2024 (“**Bonus II**”). The record date for the bonus issuance was September 26, 2023.

In this regard, we have performed the following procedures:



- i. obtained the financial statements of the Company for the financial years ending March 31, 2023;
- ii. obtained the minutes of meetings of the board of directors of the Company, the minutes of annual general meetings and extraordinary general meetings for the period from April 1, 2023 till the date of this certificate;
- iii. examined the record date of bonus issuances made by the Company and list of shareholders to whom bonus shares are issued;
- iv. reviewed the compliances under Companies Act, 2013, as amended; and
- v. performed necessary inquiries and obtained necessary representations from the management of the Company.

Based on the procedures performed as mentioned above, we hereby certify that:

- i. with respect to Bonus I, the Company had a surplus in the Profit & Loss account of ₹ 23.98 million, appearing in the audited financial statement of the Company as on March 31, 2008, which was adequate for the issuance of bonus shares of the Company, since the Company capitalized a sum of ₹ 19.64 million of its surplus in Capital Redemption Reserve as on 30th September, 2008 to allot 1,964,000 Equity Shares of ₹ 10 each, under a bonus issue in the ratio of 1:20 Equity Shares for every one existing Equity Share held as on the record date. We further certify that the bonus shares have not been issued by utilization of revaluation reserves of the Company and the bonus shares have been issued to only those shareholders which were the existing shareholders of the Company on September 30, 2008 being the record date for the bonus issue.
- ii. with respect to Bonus II, the Company had a surplus in the Retained Earnings (free reserves) of ₹ 1515.75 million, appearing in the audited financial statement of the Company as on March 31, 2023, which was adequate for the issuance of bonus shares of the Company, since the Company has capitalized a sum of ₹ 57.62 million of its surplus in share premium account as on September 26, 2023 to allot 57,62,200 Equity Shares of ₹ 10 each, under a bonus issue in the ratio of 1:1 Equity Shares for every one existing Equity Share held as on the record date. We further certify that the bonus shares have not been issued by utilization of revaluation reserves of the Company and the bonus shares have been issued to only those shareholders which were the existing shareholders of the Company on September 26, 2023 being the record date for the bonus issue.

We further certify that:

- i. none of the bonus issuances as mentioned have been made by way of utilization of unrealized profits of the Company; and
- ii. the bonus issuances have been made by way of utilization of freely distributable reserves and profits of the Company.

Accordingly, Bonus I was made in compliance with the Companies Act, 1956 and Bonus II was made in compliance with the Companies Act, 2013.

We certify that the Equity Shares issued in the bonus issuances stated above and being offered in the offer for sale as part of the Offer have been issued on underlying Equity Shares that have been held for a period of at least one year prior to the filing of the red herring prospectus (“RHP”) in connection with Offer.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the Institute of Chartered Accountants of India. We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ (Revised 2016) issued by the Institute of Chartered Accountants of India (“ICAI”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer (together the “Offer



Documents”), and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM and for the purpose of any due-diligence defense the BRLM may wish to advance in any claim or proceeding in connection with the Offer.

We confirm that the information above is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate may be relied on by the BRLM, and the legal counsel in relation to the Offer.

We undertake to update you in writing of any changes in the abovementioned position, on obtaining or becoming aware of any relevant information until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, the above information should be considered as updated information.

All capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.

Our certificate is made solely to the Company's management and BRLMs for the purpose as set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This certificate relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the BRLM and the Company's members as a body, for our work, for this certification.

Yours faithfully,

For T R Chadha & Co LLP,
Chartered Accountants
Firm Registration Number: **006711N/N500028**

Alka Hinge
(Partner)
(Membership Number: 104574
UDIN: 24104574BKASKE2667

Place: Mumbai

Cc:

Legal Counsel to the Offer

IndusLaw
#1502B, 15th Floor, Tower -1C,
"One World Centre", Senapati Bapat Marg,
Lower Parel, Mumbai 400 013,
Maharashtra, India