(Please scan this QR Code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated September 27, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

KRYSTAL INTEGRATED SERVICES LIMITED

Corporate Identity Number: U74920MH2000PLC129827

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India	20th Floor, Kohinoor Square, Shivaji Park, Dadar, Mumbai – 400028, Maharashtra, India	Stuti Maru *Company Secretary and Compliance Officer*	**E-mail**: company.secretary@krystal-group.com **Telephone**: +91 22 47471234	https://krystal-group.com/

OUR PROMOTERS: PRASAD MINESH LAD, NEETA PRASAD LAD, SAILY PRASAD LAD, SHUBHAM PRASAD LAD AND KRYSTAL FAMILY HOLDINGS PRIVATE LIMITED

DETAILS OF THE OFFER

TYPE	SIZE OF FRESH ISSUE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs AND RIBs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 1,750 million	Up to 1,750,000 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures –Eligibility for the Offer*" on page 358. For details in relation to share reservation among QIBs, NIBs and RIBs, see "*Offer Structure*" on page 373.

DETAILS OF THE OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NO. OF EQUITY SHARES OFFERED	WACA PER EQUITY SHARE (IN ₹)#
Krystal Family Holdings Private Limited	Promoter Selling Shareholder	Up to 1,750,000 Equity Shares aggregating up to ₹ [●] million	₹ 30#

#As certified by T R Chadha & Co LLP, the Statutory Auditors, pursuant to their certificate dated September 27, 2023.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price, determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, and in accordance with the SEBI ICDR Regulations and as stated under "*Basis for Offer Price*" on page 111, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 34.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for and confirms only the statements specifically made by the Promoter Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being National Stock Exchange of India Limited and BSE Limited. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 407.

BOOK RUNNING LEAD MANAGER

NAME OF LEAD MANAGER AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
INGA **Inga Ventures Private Limited**	Kavita Shah	**Telephone**: +91 22 6854 0808 **E-mail:** krystal.ipo@ingaventures.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
LINKIntime **Link Intime India Private Limited**	Shanti Gopalkrishnan	**Telephone**: +91 8108114949, +91 22 4918 6200 **E-mail**: krystalintegrated.ipo@linkintime.co.in

BID/OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD*	[●]*
BID/OFFER OPENS ON*	[●]*
BID OFFER CLOSES ON**	[●]**#

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

(Please scan this QR Code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated September 27, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

KRYSTAL INTEGRATED SERVICES LIMITED

Corporate Identity Number: U74920MH2000PLC129827

Our Company was incorporated as 'Sea King Enterprises Private Limited' at Mumbai as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated December 1, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). The name of our Company was changed to 'Krystal Tradecom Private Limited' and a fresh certificate of incorporation dated February 6, 2001 was issued by the RoC. Subsequently, our Company diversified its activities and the name of our Company was changed from 'Krystal Tradecom Private Limited' to 'Krystal Integrated Services Private Limited', and a fresh certificate of incorporation dated May 19, 2009 was issued by the RoC. Pursuant to a resolution of our Board dated June 30, 2023 and a resolution of our shareholders dated July 4, 2023, our Company was converted into a public limited company under the Companies Act, and consequently, the name of our Company was changed to 'Krystal Integrated Services Limited' and a fresh certificate of incorporation dated August 4, 2023 was issued by the RoC.

Registered Office: Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India; **Tel:** +9122 43531234
Corporate Office: 20th Floor, Kohinoor Square, Shivaji Park, Dadar, Mumbai – 400028, Maharashtra, India; **Tel:** +9122 47471234
Contact Person: Stuti Maru, Company Secretary and Compliance Officer
Email: company.secretary@krystal-group.com; **Website:** https://krystal-group.com/
Corporate Identity Number: U74920MH2000PLC129827

OUR PROMOTERS: PRASAD MINESH LAD, NEETA PRASAD LAD, SAILY PRASAD LAD, SHUBHAM PRASAD LAD AND KRYSTAL FAMILY HOLDINGS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF KRYSTAL INTEGRATED SERVICES LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMRISING OF A FRESH ISSUE OF UP TO SUCH NUMBER OF EQUITY SHARES AGGREGATING UP TO ₹ 1,750 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 1,750,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION (THE "OFFERED SHARES") BY KRYSTAL FAMILY HOLDINGS PRIVATE LIMITED (THE 'PROMOTER SELLING SHAREHOLDER') (THE "OFFER FOR SALE") (THE"OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE,THE"OFFER")").

OUR COMPANY MAY, IN CONSULTATION WITH THE LEAD MANAGER, CONSIDER A FURTHER ISSUE BY OUR COMPANY OF UP TO [●] EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 150 MILLION (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER AND WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, NOT EXCEEDING 20% OF THE FRESH ISSUE SIZE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 AS AMENDED ("SCRR").

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE LEAD MANAGER AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●], AND THE [●] EDITION OF [●], THE MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MUMBAI, MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (THE "BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds.
Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. One-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹0.2 million and up to ₹1 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹10 million provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the equity shares of our Company. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, and in accordance with the SEBI ICDR Regulations and as stated under "*Basis for Offer Price*" on page 111, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 34.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for and confirms only the statements specifically made by the Promoter Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 407.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
Inga Ventures Private Limited 1229 Hubtown Solaris N.S. Phadke Marg Opp. Telli Galli Andheri (East), Mumbai 400 069 Maharashtra, India Tel: +91 6854 0808 E-mail: krystal.ipo@ingaventures.com Website: www.ingaventures.com Investor grievance ID: investors@ingaventures.com Contact person: Kavita Shah SEBI Registration No: INM000012698	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st floor, 247 Park, Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083, Maharashtra, India Tel: +91 22 4918 6200 E-mail: krystalintegrated.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: krystalintegrated.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON: [●](1)	BID/OFFER CLOSES ON: [●](2)#

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

Notwithstanding the foregoing, the terms used in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures" and "Description of Equity Shares and Terms of the Articles of Association" on pages 111, 120, 125, 202, 208, 250, 306, 348, 358 and 399, respectively, shall have the respective meanings ascribed to them in the relevant sections.

General Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Krystal Integrated Services Limited, a company incorporated under the Companies Act, 1956, whose registered office is situated at Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India.
"we" or "us" or "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company, together with its Subsidiaries and joint ventures, as applicable, as of and during the relevant Financial Year.

Company Related Terms

Term	Description
"Articles" or "Articles of Association"	Articles of association of our Company, as amended.
Audit Committee	The audit committee of the Board of Directors as described in "*Our Management – Committees of our Board*" on page 226.
Auditors or Statutory Auditors	The statutory auditors of our Company, namely, T R Chadha & Co LLP, Chartered Accountants.
Board or Board of Directors	The board of directors of our Company, as constituted from time to time or any duly constituted committee thereof.
Chairperson and Managing Director	Chairperson and managing director of our Company, being Neeta Prasad Lad.
Chartered Engineer	Umang A Patel, Vastukala Consultants Private Limited.
Chief Executive Officer or CEO	Chief executive officer of our Company, being Sanjay Suryakant Dighe. .
Chief Financial Officer or CFO	Chief financial officer of our Company, being Barun Dey.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, being Stuti Maru.
Corporate Office	The corporate office of our Company, located at 20th Floor, Kohinoor Square, Shivaji Park, Dadar, Mumbai – 400 028, Maharashtra, India.
"Corporate Promoter"	Krystal Family Holdings Private Limited
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, as described in "*Our Management – Committees of our Board*" on page 235.
Director(s)	The director(s) on our Board, as described in "*Our Management – Board of Directors*" on page 216.
Equity Shares	Equity shares of our Company of face value of ₹10 each.

Term	Description
F&S Report	Industry Report titled "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" dated September 21, 2023 which is exclusively prepared for the purpose of the Offer and issued by Frost and Sullivan and is commissioned and paid for by our Company. The F&S Report will be available on the website of our Company at https://krystal-group.com/investor/ until the Bid / Offer Closing Date.
Group Companies	Our group companies identified in accordance with the SEBI ICDR Regulations, as disclosed in "*Our Group Companies*" on page 246.
Independent Director(s)	The non-executive independent director(s) of our Company, as described on "*Our Management*" on page 216.
Individual Promoters	Prasad Lad, Neeta Prasad Lad, Saily Prasad Lad and Shubham Prasad Lad
IPO Committee	The IPO committee of the Board of Directors as described in "*Our Management -Committees of our Board*" on page 232.
Joint Arrangements	The joint arrangements of our Company as of the date of this Draft Red Herring Prospectus and which are set out in the section "*History and other corporate matters – Our Joint Arrangements*" on page 212. For the purpose of financial information and financial statements, joint ventures would mean joint ventures as at and during the relevant financial year.
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management – Key Managerial Personnel of our Company*" on page 238.
Krystal ESOP Plan, 2023	The ESOP scheme instituted by our Company namely, the Krystal Integrated Services Limited Employee Stock Option Plan, 2023.
Krystal Trademark Agreement	Trademark licensing agreement dated September 19, 2021 entered into between our Company and Prasad Minesh Lad.
Krystal Gourmet Trademark Agreement	Trademark licensing agreement dated December 24, 2020 entered into between Krystal Gourmet Private Limited and Prasad Minesh Lad.
Materiality Policy	Policy for identification of Group Companies, material outstanding litigation involving our Company, our Subsidiaries, our Promoters and our Directors and material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated September 15, 2023.
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination, Remuneration and Compensation Committee	The nomination, compensation and remuneration committee of the Board of Directors as described in "*Our Management - Committees of our Board*" on page 228.
Promoters	The promoters of our Company, namely, the Individual Promoters, *i.e.*, Prasad Minesh Lad, Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad and Corporate Promoter, *i.e.*, Krystal Family Holdings Private Limited.
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group – Promoter Group*" on page 244.
Promoter Selling Shareholder	Krystal Family Holdings Private Limited
Registered Office	The registered office of our Company, located at Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, along with our Subsidiaries and joint venture as of and for and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising: (i) restated consolidated statement of assets and liabilities of the Company as of March 31, 2023, March 31, 2022 and March 31, 2021; (ii) the restated consolidated

Term	Description
	statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statement and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; and (iii) related notes, including the summary statement of significant accounting policies, and other explanatory information thereto, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, each as amended from time to time, and e-mail dated 28 October 2021 from 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.
Risk Management Committee	The risk management committee of the Board of Directors as described in "*Our Management - Committees of our Board*" on page 231.
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "*Our Management – Senior Management of our Company*" on page 238.
Shareholders	The shareholders of our Company, from time to time
SLA linked contracts	Service level agreement linked contracts
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors as described in "*Our Management - Committees of our Board*" on page 230.
Subsidiaries	The subsidiaries of our Company as of the date of this Draft Red Herring Prospectus and which are set out in the section "*History and other corporate matters – Our Subsidiaries*" on page 211. For the purpose of financial information and financial statements, subsidiaries would mean subsidiaries as at and during the relevant financial year.
Trademark License Agreements	Collectively, the Krystal Trademark License Agreement and the Krystal Gourmet Trademark License Agreement.

Offer Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of our Company's prospectus as specified under the SEBI ICDR Regulations.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
"Allot" or "Allotment or Allotted"	Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Equity Shares offered by the Promoter Selling Shareholder pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million.
Anchor Investor Allocation Price	The price at which allocation is done to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus.
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.

Term	Description
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the Lead Manager, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Bidder(s), except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	The Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be.
Basis of Allotment	The basis on which Equity Shares shall be Allotted to successful Bidders under the Offer as described in "*Offer Procedure*" on page 376.
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the relevant Bid cum application form. The term "Bidding" shall be construed accordingly.
Bid Amount	In relation to each Bid, the highest value of the Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders, Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder, and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] edition of the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra where our Registered Office is located), each with wide circulation. Our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended

Term	Description
	Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], the English national daily newspaper, [●] editions of [●], the Hindi national daily newspaper and [●] edition of the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra each with wide circulation.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Manager" or "BRLM" or "Lead Manager"	The book running lead manager to the Offer, namely, Inga Ventures Private Limited.
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, only using UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time.
"CAN" or "Confirmation of Allocation Note"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated the Equity Shares, on or after the Anchor Investor Bid/Offer Period.
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into among our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the Lead Manager, the Syndicate Members, and the Banker(s) to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars.
Client ID	Client identification number maintained with one of the Depositories in relation to a dematerialized account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI as per the list available on the websites of the Stock Exchanges, as updated from time to time.
Cut-off Price	The Offer Price finalized by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, which shall be any price within the Price Band. Only Retail Individual Bidders bidding in the Retail Portion are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable.

Term	Description
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI.
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by Retail Individual Bidders by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated September 27, 2023 filed with SEBI and the Stock Exchanges issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby.
Escrow Account(s)	Accounts to be opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Account(s) shall be opened, in this case being [●].
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names.
Fresh Issue	The offer, issue and allotment of up to [●] Equity Shares aggregating up to ₹ 1,750 million by our Company.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Lead Manager.
Gross Proceeds	The Offer Proceeds, less the amount to be raised with respect to the Offer for Sale.
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency.
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Proceeds	Proceeds of the Fresh Issue less the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 98.
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders or Non-Institutional Investors or NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, which shall be available for allocation to NIBs in accordance with the SEBI ICDR Regulations, such that (a) one-third shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price.
Non-Resident	Person resident outside India, as defined under FEMA.
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹ [●] million comprising of a fresh issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million and offer for sale up to 1,750,000 Equity Shares aggregating to ₹ [●] million. Our Company, in consultation with the Lead Manager, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 150 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Lead Manager, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR.
Offer Agreement	The agreement dated September 27, 2023 entered into among our Company and the Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Offer.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.

Term	Description
Offered Shares	Up to 1,750,000 Equity Shares aggregating up to ₹ [●] million, offered as part of the Offer for Sale by the Promoter Selling Shareholder.
OFS/ Offer for Sale	The offer for sale of up to 1,750,000 Equity Shares aggregating to ₹ [●] million by the Promoter Selling Shareholder.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 98.
Pre-IPO Placement	A pre-Offer placement of Equity Shares by our Company, in consultation with the Lead Manager, of such number of Equity Shares for an aggregate amount not exceeding ₹ 150 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Lead Manager and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR.
Price Band	Price band of a minimum price of ₹[●] per Equity Share (*i.e.*, the Floor Price) and the maximum price of ₹[●] per Equity Share (*i.e.*, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] edition of the Marathi daily newspaper [●] (the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager, will finalize the Offer Price.
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account(s)	'No-lien' and 'non-interest-bearing' bank account(s) opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date.
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with which the Public Offer Account(s) shall be opened, being [●]
QIB Portion/ QIB Category	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), on a proportionate basis, (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager), subject to valid Bids being received at or above the Offer Price.
"Qualified Institutional Buyer(s)", "QIB(s)" or "QIB Bidder(s)"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act and the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	Account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made.

Term	Description
Refund Bank(s)	Banker(s) to the Offer and with which Refund Account(s) shall be opened, being [●].
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the circular (No. CIR/CFD/14/2012) dated October 4, 2012, the UPI Circulars, issued by the SEBI.
Registrar Agreement	The agreement dated September 27, 2023 entered into among our Company, Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer relating to the Offer.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars.
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited.
"Retail Individual Bidders" or "RIBs"	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the *karta* and Eligible NRIs).
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI.
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Share Escrow Agent	[●]
Share Escrow Agreement	The agreement dated [●], entered into by and among the Promoter Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the portion of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	Bidding Centres where the Syndicate will accept ASBA Forms from the Bidders
Sponsor Bank(s)	[●] and [●], being Banker(s) to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.

Term	Description
Syndicate or Members of the Syndicate	The Lead Manager and the Syndicate Members, collectively.
Syndicate Agreement	The agreement to be entered into among the Lead Manager, the Syndicate Members, the Promoter Selling Shareholder and our Company in relation to the collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●].
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, the Promoter Selling Shareholder and our Company to be entered prior to filing of the Red Herring Prospectus or Prospectus, as applicable, with the RoC.
UPI	Unified payments interface, which is an instant payment mechanism developed by the NPCI.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Forms(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/MIRSD/POD -1/P/CIR/2023/70 dated May 17, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	An ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer.
UPI PIN	Password to authenticate a UPI transaction.
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business, provided that: (a) in respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which

Term	Description
	commercial banks in Mumbai, India are open for business; and (b) in respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars.

Technical/Industry Related Terms/Abbreviations

Term	Description
ABRY	Atmanirbhar Bharat Rojgar Yojana
AI	Artificial Intelligence
BFSI	Banking, Financial Services and Insurance
BIM	Building Information Modelling
BOOT	Build, Own, Operate, and Transfer
BOT	Build, Operate, Transfer
BPO	Business Process Outsourcing
BREEAM	Building Research Establishment Environmental Assessment Methodology
BSNL	Bharat Sanchar Nigam Limited
CAGR	The compound annual growth rate is the annualized average rate of revenue growth between two given years, assuming growth takes place at an exponentially compounded rate.
CCTV	Closed Circuit Television
CPCB	Central Pollution Control Board
DESH	Development Enterprise and Services Hub
EBITDA	EBITDA means earnings before interest, taxes, depreciation, and amortization.
EBITDA Margin	Earnings before interest, taxes, depreciation, and amortization divided by revenue from operations.
EPC	Engineering, Procurement & Construction
EPF	Employee Provident Fund
EPS	Net profit / (loss) after tax attributable to equity shareholders, as restated / weighted average number of Equity Shares during the year.
EQUIP	Education Quality Upgradation and Inclusion Programme
ESDM	Electronics System Design and Manufacturing
ESIC	Employees' State Insurance Scheme
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FM	Facility Management
FMCD	Fast Moving Consumer Durable
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GPS	Global Positioning System
GST	Goods and Services Tax
GVA	Gross Value Add
HAM	Hybrid Annuity Model
HR	Human Resources
HVAC	Heating, Ventilation & Air-conditioning
ICRA	Investment Information and Credit Rating Agency
IFM	Integrated Facilities Management
IIP	Index of Industrial Production
INR	Indian Rupees
IoT	Internet of Things
IT	Information Technology
ITeS	Information Technology enabled Services
LEED	Leadership in Energy and Environmental Design
LSEM	Large-Scale Electronics Manufacturing
MEP	Mechanical, Electrical, Plumbing

Term	Description
MICE	Meetings, Incentive, Conferences, and Exhibitions
MNC	Multi-National Companies
NABH	NextGen Airports for Bharat
Net Asset Value per Equity Share	Net asset value per Equity Share means net worth attributable to the owners of our Company divided by weighted average number of Equity Shares outstanding at the end of the period/year.
Net Worth	Net worth is the value of all assets, minus the total of all liabilities.
Net Debt	Net debt is calculated by subtracting a company's total cash and cash equivalents from its total short-term and long-term debt.
Net Debt to EBITDA	Net debts divided by earnings before interest, taxes, depreciation, and amortization.
Net Debt to Equity	Net debts divided by total equity.
NIP	National Infrastructure Pipeline
NMCG	National Mission for Clean Ganga
NRI	Non-resident Indian
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
P/E Ratio	P/E Ratio or price to earnings ratio is the ratio of the current price of a company's share in relation to its earnings per share.
PF	Provident Fund
PLI	Production Linked Incentives
PMAY	Pradhan Mantri Awas Yojana
PMI	Purchase Managers Index
PPP	Public-Private Partnerships
RBI	Reserve Bank of India
RCS	Regional Connectivity Scheme
Return on Equity or ROE	Profit after tax attributable to owners divided by average net worth excluding other comprehensive income.
Return on Capital Employed or ROCE	Earnings before interest and tax divided by average tangible net worth + average long term debt.
Return on Net Worth or RoNW	Return on net worth is computed as restated net profit / (loss) after tax attributable to equity holders of our Company divided by restated net worth for equity shareholders of our Company.
RISE	Revitalising Infrastructure and System in Education
RPO	Recruitment Process Outsourcing
SEZ	Special Economic Zones
SIMA	Society of Indian Automobile Manufacturers
SLA	Service Level Agreements
SOP	Standard Operating Procedures
UDAN	Ude Desh ka Aam Naagrik
UK	United Kingdom
ULB	Urban Local Bodies
USA	United States of America
USD	United States Dollars
WCM	Workplace Change Management
WTO	World Trade Organisation

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative investment funds as defined in, and registered under the SEBI AIF Regulations
BSE	BSE Limited
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations

Term	Description
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder
Companies Act, 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder
CRPC	Code of Criminal Procedure, 1973
CSR	Corporate social responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant’s identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)
EGM	Extraordinary General Meeting
ESG	Environmental, social and governance
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999 read with the rules and regulations thereunder
FEMA Non-debt Instruments Rules or the FEMA NDI Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year
FIR	First information report
FPIs	Foreign portfolio investors as defined in, and registered with the SEBI under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015 (as amended)
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPC	Indian Penal Code, 1860
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time

Term	Description
IT Act	Information Technology Act, 2000
KYC	Know Your Customer
LIBOR	London Interbank Offered Rate
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds based Lending Rate
MSME	Micro, small and medium enterprises
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRI	An individual resident outside India, who is a citizen of India
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer
p.a.	Per annum
PAN	Permanent Account Number allotted under the Income Tax Act
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SICA	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE

Term	Description
STT	Securities Transaction Tax
Systemically Important NBFCs	In the context of a Bidder, a non-banking financial company registered with the RBI and having a net worth of more than ₹5,000 million as per its last audited financial statements.
TAN	Tax Deduction and Collection Account Number allotted under the Income-tax Act
TDS	Tax deducted at source
Trade Marks Act	Trade Marks Act, 1999
US or U.S. or USA or United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD or US$	United States Dollars
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Wilful Defaulter(s) or Fraudulent Borrower(s)	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Year or calendar year	Unless the context otherwise requires, shall mean the twelve months ending December 31

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 34, 69, 84, 98, 125, 183, 250, 348, 376 and 399, respectively.

Summary of the primary business of the Company

We are one of India's leading integrated facilities management services companies with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors (Source: F&S Report). We provide a comprehensive range of integrated facility management service offerings across multiple sectors. We also provide staffing solutions and payroll management to our customers, as well as private security and manned guarding services and catering services. In Fiscal 2021, 2022 and 2023, we served 262, 277 and 326 customers, at 1,962, 2,240 and 2,427 customer locations in India, respectively.

Summary of the Industry

In Fiscal 2023, the Indian outsourced integrated facility management market was estimated to be ₹980.8 billion. The outsourced integrated facility management market in India is expected to grow at a CAGR of 14.6% between Fiscals 2023-2028, with a potential market size of ₹1,935.88 billion. Staffing and payroll management services market size in Fiscal 2023 is estimated at ₹729 billion, with expected growth at CAGR of 20.1% from Fiscals 2023-2028. Private security and manned guarding services market in India is valued at ₹1,500 billion in Fiscal 2023, expected to grow at CAGR of 20.0% from Fiscal 2023-2028. (*Source: F&S Report*)

Our Promoters

Prasad Minesh Lad, Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad and Krystal Family Holdings Private Limited.

Offer size

Initial public offering of up to [●] Equity Shares of our Company for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ [●] million, comprising of a fresh issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million by the Company and an offer for sale of up to 1,750,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholder.

The Offer shall constitute [●] % of the post-Offer paid-up equity share capital of our Company.

The Offer has been authorized by our Board pursuant to a resolution dated September 15, 2023, and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution dated September 18, 2023. Our Board has taken on record the Offer for Sale by the Promoter Selling Shareholder pursuant to their resolution dated September 27, 2023. For further details of authorizations pertaining to the Offer for Sale, see "*Other Regulatory and Statutory Disclosures*" on page 358.

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may in consultation with the Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB

Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. For details, see "*Offer Procedure*" on page 376.

Our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 150 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Lead Manager, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR.

Objects of the Offer

The objects for which the Net Proceeds from the Fresh Issue shall be utilized are as follows:

Particulars	Amount *(₹ million)*
Repayment/prepayment, in full or part, of certain borrowings availed of by our Company	100.00
Funding working capital requirements of our Company	1,000.00
Funding capital expenditure for purchase of new machinery	100.00
General corporate purposes[#(1)]	[●]
Net Proceeds[(2)]	[●]

[#] To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.

[(1)] The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations

[(2)] Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Lead Manager and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR. On utilization of proceeds from the Pre-IPO Placement, if undertaken prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement, if undertaken shall be appropriately made in the relevant sections of the RHP and Prospectus.

For further details, see "*Objects of the Offer*" on page 98.

Aggregate pre-Offer shareholding of Promoters, Selling Shareholder and Promoter Group as a percentage of the paid-up share capital of our Company

The aggregate pre-Offer shareholding of our Promoters, Promoter Selling Shareholder and Promoter Group, as a percentage of the pre-Offer paid-up equity share capital of the Company, on a fully diluted basis, is set out below:

Name of the Shareholder	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer shareholding on a fully diluted basis (%)
Promoters		
Prasad Minesh Lad	Nil	Nil
Neeta Prasad Lad	2	Negligible
Saily Prasad Lad	2	Negligible
Shubham Prasad Lad	2	Negligible
Krystal Family Holdings Private Limited^	11,524,388	99.99
Total (A)	**11,524,394**	**100**
Promoter Group		
Nil		
Total (B)	Nil	
Total (A + B)	**11,524,394**	100

^ *Also Promoter Selling Shareholder.*

For further details, see "*Capital Structure*" beginning on page 84.

Select Financial Information

A summary of the select financial information of the Company for the financial years ended March 31, 2023, 2022 and 2021, derived from the Restated Consolidated Financial Information are as follows:

(₹ million, except per share data)

Particulars	As of and for the Financial Year ended March 31		
	2023	2022	2021
(A) Equity Share capital	57.62	57.62	57.62
(B) Net Worth (1)	1,634.12	1,638.55	1,360.75
(C) Revenue from operations	7,076.36	5,526.76	4,712.89
(D) Restated profit after tax for the period/year	384.44	262.74	168.24
(E) Basic earnings per share from continuing and discontinued operations (in ₹) (2)	33.33	22.69	14.45
(F) Diluted earnings per share from continuing and discontinued operations (in ₹) (3)	33.33	22.69	14.45
(G) Net Asset Value per Equity Share (4)	283.59	284.36	236.15
(H) Total borrowings (as per balance sheet) (5)	479.93	725.51	653.10

Notes:
(1) Net Worth means the aggregate of paid-up equity share capital and other equity attributable to equity shareholders of the parent (excluding non-controlling interest).
(2) Restated Basic earnings per share amounts are calculated by dividing the restated profit for the period / year attributable to equity holders of the parent by the weighted average number of Equity Shares outstanding during the period/ year as adjusted for bonus issue of Equity Shares vide Board and Shareholders' resolution dated September 26, 2023.
(3) Restated Diluted earnings per share amounts are calculated by dividing the restated profit for the period / year attributable to equity holders of the parent by the weighted average number of Equity Shares adjusted for effect of dilution outstanding during the period / year.
(4) Net Asset Value per Equity Share represents restated net worth attributable to equity shareholders of the parent (excluding non-controlling interest) at the end of the year / period divided by numbers of equity share outstanding during the respective year / period.
(5) Total borrowings are calculated as borrowings (non-current) plus borrowings (current.)

For further details, see "*Other Financial Information"* on page 304.

Auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information

There are no auditor qualifications that have not been given effect to in the Restated Consolidated Financial Information.

Summary table of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in "*Outstanding Litigation and Material Developments*" on page 348, in terms of the SEBI ICDR Regulations and the materiality policy adopted by our Board pursuant to a resolution dated September 15, 2023, is provided below:

Name of the entity	Number of Material civil litigations	Number of Criminal Proceedings	Number of Action taken by statutory or regulatory authorities	Disciplinary actions imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years including outstanding actions	Number of Tax proceedings	Aggregate amount involved *(₹ million)*
Company						
By our Company	Nil	1	Nil	Nil	Nil	Nil
Against our Company	Nil	Nil	2	Nil	12	261.81
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	Nil	1	6.37
Directors						

Name of the entity	Number of Material civil litigations	Number of Criminal Proceedings	Number of Action taken by statutory or regulatory authorities	Disciplinary actions imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years including outstanding actions	Number of Tax proceedings	Aggregate amount involved (₹ million)
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil^	Nil^
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	6	36.94

^The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

Our Group Companies are not party to any pending litigation proceedings which may have a material impact on our Company.

For further details, see *"Outstanding Litigation and Material Developments"* on page 348.

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 34.

Summary table of contingent liabilities

As at March 31, 2023, March 31, 2022 and March 31, 2021, our contingent liabilities, to the extent not provided for, on a consolidated basis, were as follows:

(₹ in million)

Particulars	Financial Year		
	March 31, 2023	March 31, 2022	March 31, 2021
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

**Out of above, the Company has already deposited ₹ 4.00 million with the income tax authorities.*

The information above is derived from the "*Restated Consolidated Financial Information – Note 46 – Contingent liabilities and commitments"* on page 299.

Summary of related party transactions

The details of related party transactions entered into by our Company for the financial years ended March 31, 2023, 2022 and 2021 as per Ind AS 24 –Related Party Disclosures read with SEBI ICDR Regulations and derived from the Restated Consolidated Financial Information are as set out in the table below:

Name of the related party	Nature of transactions	Financial Year ended March 31,		
		2023	2022	2021
		(₹ million)		
Volksara Techno Solutions Private Limited	Sale of Service	-	5.46	-
Krystal Allied Services Private Limited	Sale of Service	26.51	13.99	0.64
Krystal Aviation Services Private Limited	Sale of Service	9.88	-	-
Krystal Aquachem JV	Sale of Service	81.73	63.60	12.27
Prasad Minesh Lad	Sale of Service	0.29	-	-
Neeta Prasad Lad	Rent expense paid to	2.52	2.52	2.52
Prasad Minesh Lad	Rent expense paid to	2.52	2.52	2.52

Name of the related party	Nature of transactions	Financial Year ended March 31,		
		2023	2022	2021
		(₹ million)		
Prasad Lad HUF	Rent expense paid to	0.43	0.43	0.43
Volksara Techno Solutions Private Limited	Professional fees paid to	-	8.24	17.55
Krystal Family Holdings Private Limited	Professional fees paid to	0.56	1.13	0.86
Saily Prasad Lad	Professional fees paid to	1.67	1.33	1.33
Volksara Techno Solutions Private Limited	Site expenses	-	67.23	0.04
Krystal Aviation Services Private Limited	Manpower expenses	7.89	6.07	4.92
Krystal Aviation Services Private Limited	Purchase of materials	-	-	2.63
Krystal Allied Services Private Limited	Cleaning charges	0.08	-	-
Mumbai District Central Co-operative Bank Ltd. (Overdraft 1)	Interest expenses	9.27	6.08	0.27
Mumbai District Central Co-operative Bank Ltd. (Overdraft 2)	Interest expenses	12.72	12.75	10.01
Mumbai District Central Co-operative Bank Ltd. (Covid Funding)	Interest expenses	0.73	2.31	1.58
Mumbai District Central Co-operative Bank Ltd. (Term Loan)	Interest expenses	18.54	22.22	25.70
Navagunjara Financial Private Limited	Interest expenses	3.45	-	-
Volksara Techno Solutions Private Limited	Sale of Fixed Assets	-	-	0.05
Prasad Minesh Lad	Remuneration	59.63	42.59	41.99
Neeta Prasad Lad	Remuneration	25.13	20.10	19.70
Pravin Ramesh Lad	Remuneration	9.46	7.47	7.56
Sanjay Dighe	Remuneration	20.86	9.96	11.87
Shubham Prasad Lad	Remuneration	4.95	1.90	1.80
Surekha Pravin Lad	Remuneration	2.26	1.81	1.78
Shalini Agrawal	Remuneration	0.35	0.32	0.24
Krystal Allied Services Private Limited	Loan Given	32.59	-	0.20
Krystal Allied Services Private Limited	Loan Received back	-	-	0.20
Volksara Techno Solutions Private Limited (Payable Pursuant to scheme of arrangement)	Other Payables	39.22	-	-
Krystal Family Holdings Private Limited	Loan taken	-	46.10	5.00
Krystal Aviation Services Private Limited	Loan taken	-	4.29	4.20
Navagunjara Financial Private Limited	Loan taken	139.25	29.55	-
Mumbai District Central Co-operative Bank Ltd.	Loan taken	-	-	-
Neeta Prasad Lad	Loan taken	18.30	2.00	1.50
Saily Prasad Lad	Loan taken	-	3.23	1.50
Shubham Prasad Lad	Loan taken	-	2.00	1.50
Prasad Minesh Lad	Loan taken	-	21.00	22.84
Prasad Minesh Lad	Reimbursement of expenses	0.35	-	-
Neeta Prasad Lad	Reimbursement of expenses	0.35	-	-
Volksara Techno Solutions Private Limited	Reimbursement of expenses	52.87	-	-
Krystal Family Holdings Private Limited	Loan repaid	-	46.10	5.00

Name of the related party	Nature of transactions	Financial Year ended March 31,		
		2023	2022	2021
		(₹ million)		
Krystal Aviation Services Private Limited	Loan repaid	-	4.29	4.20
Navagunjara Financial Private Limited	Loan repaid	43.48	29.55	-
Neeta Prasad Lad	Loan repaid	10.55	2.00	1.50
Saily Prasad Lad	Loan repaid	-	3.23	1.50
Shubham Prasad Lad	Loan repaid	-	2.00	1.50
Prasad Minesh Lad	Loan repaid	23.23	21.00	22.84
Krystal Allied Services Private Limited	Closing balances of Loan Given	32.59	-	-
Prasad Minesh Lad	Closing balances of Loan Given	0.12	-	-
Navagunjara Financial Private Limited	Closing balances of Loan Taken	98.84	-	-
Mumbai District Central Co-operative Bank Ltd.	Closing balances of Loan Taken	150.14	186.28	218.32
Krystal Aquachem JV	Closing balances of Closing balances of Investment in Subsidiary/JV	8.85	1.48	0.10
Mumbai District Central Co-operative Bank Ltd.	Closing balances of Investment	13.88	11.13	8.27
Volksara Techno Solutions Private Limited	Closing balances of Account Payable	-	18.65	16.27
Krystal Aviation Services Private Limited	Closing balances of Account Payable	3.37	2.61	2.06
Krystal Family Holdings Private Limited	Closing balances of Account Payable	0.49	0.81	0.39
Mumbai District Co-operative Bank (Overdraft-1)-Sanctioned Amount- 160 millions	Closing balances of Account Payable	(5.28)	(21.92)	50.00
Mumbai District Co-operative Bank (Overdraft-2)-Sanctioned Amount – 120 millions	Closing balances of Account Payable	117.48	45.36	116.00
Mumbai District Co-operative Bank (Covid Funding)-Sanctioned Amount- 25 millions	Closing balances of Account Payable	-	12.63	25.27
Prasad Minesh Lad	Closing balances of Account Payable	4.40	25.24	35.75
Neeta Prasad Lad	Closing balances of Account Payable	1.11	11.51	11.69
Saily Prasad Lad	Closing balances of Account Payable	0.40	0.30	0.10
Prasad Lad HUF	Closing balances of Account Payable	0.03	-	0.03
Pravin Ramesh Lad	Closing balances of Account Payable	0.55	0.46	0.48
Sanjay Dighe	Closing balances of Account Payable	0.55	0.51	0.48
Shubham Prasad Lad	Closing balances of Account Payable	0.29	0.12	0.13
Surekha Pravin Lad	Closing balances of Account Payable	0.13	0.13	0.13
Shalini Agrawal	Closing balances of Account Payable	0.03	0.03	0.03
Krystal Allied Services Private Limited	Closing balances of Account Receivables	7.67	4.18	0.29
Krystal Aquachem JV	Closing balances of Account Receivables	28.37	26.02	6.05

For further details, see *"Financial Information - Note 37 - Related Party Disclosure"* on page 283.

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, Directors of our Corporate Promoters, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Our Promoters, members of our Promoter Group, Directors of our Corporate Promoter, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and Promoter Selling Shareholder in the last one year

The weighted average price at which the specified securities were acquired by our Promoters and Promoter Selling Shareholder in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares acquired in the last one year	Weighted average price of Equity Shares acquired in the last one year (in ₹)
Promoters		
Prasad Minesh Lad	Nil	Nil
Neeta Prasad Lad	2	5
Saily Prasad Lad	2	5
Shubham Prasad Lad	2	5
Promoter Selling Shareholder		
Krystal Family Holdings Private Limited	57,62,194	Nil

**As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.*

Average cost of acquisition of shares for our Promoters and Promoter Selling Shareholder

The average cost of acquisition of Equity Shares for our Promoters and Promoter Selling Shareholder as on the date of the Draft Red Herring Prospectus is as set out below:

Name	No. of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
Promoters		
Prasad Minesh Lad	Nil	Nil
Neeta Prasad Lad	2	5
Saily Prasad Lad	2	5
Shubham Prasad Lad	2	5
Promoter Selling Shareholder		
Krystal Family Holdings Private Limited	1,15,24,388	30

* *As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.*

Weighted average cost of acquisition for all Equity Shares transacted in one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus

The weighted average price for all Equity Shares acquired by the Promoters, members of the Promoter Group, the Promoter Selling Shareholder and other shareholders with rights to nominate Directors or any other rights in the last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus is as set out below:

Period	Weighted average cost of acquisition^ (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price^ (in ₹)
Last one year	Negligible	[●]	0-10
Last 18 months	Negligible	[●]	0-10
Last three years	Negligible	[●]	0-10

* *To be updated upon finalization of price band.*
^* *As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.*

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus:

The details of price at which Equity Shares were acquired by the Promoters, members of the Promoter Group, Promoter Selling Shareholder and other shareholders with rights to nominate directors or any other rights in the last three years preceding the date of this Draft Red Herring Prospectus are set out below:

Name of the acquirer/ Shareholder	Date of acquisition of securities	Nature of securities	Nature of Transaction	Nature of consideration	Number of securities acquired	Acquisition price per security (in₹)
Promoters						
Neeta Prasad Lad	September 25, 2023	Equity	Transfer from Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad to Neeta Prasad Lad	Cash	1	10.00
	September 27, 2023	Equity	Bonus issue in the ratio one Equity Share for every one Equity Share held	-	1	NIL
Saily Prasad Lad	June 28, 2023	Equity	Transfer from Krystal Family Holdings Limited	Cash	1	10.00
	September 27, 2023	Equity	Bonus issue in the ratio one Equity Share for every one Equity Share held	-	1	NIL
Shubham Prasad lad	June 28, 2023	Equity	Transfer from Krystal Family Holdings Limited	Cash	1	10.00
	September 27, 2023	Equity	Bonus issue in the ratio one Equity Share for every one Equity Share held	-	1	NIL
Promoter Selling Shareholder						
Krystal Family Holdings Private Limited	March 16, 2021*	Equity	Transfer from Krystal Family Holdings Private Limited jointly with Prasad Minesh Lad to Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad	Cash	1	10.00
	September 27, 2023	Equity	Bonus issue in the ratio one Equity Share for every one Equity Share held	-	5,762,194	NIL
Promoter Group						
Nil						

^There are no other shareholders with right to nominate directors on the Board or any other special rights.
** Transfer to Krystal Family Holdings Private Limited jointly held with Neeta Prasad Lad.*
***As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.*

Size of the pre-IPO placement and allottees, upon completion of the placement

Our Company may, in consultation with the Lead Manager, consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹ 150 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Lead Manager and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR.

Any issuance of equity shares in the last one year for consideration other than cash or bonus issue

Except for the bonus issuance disclosed in "*Capital Structure - Notes to the Capital Structure - Equity share capital history of our Company"* on page 84, our Company has not issued any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus for consideration other than cash or through a bonus issue.

Any split / consolidation of shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemptions from complying with any provisions of securities law, if any, granted by SEBI

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "United States" or "U.S.A." are to the "United States of America" and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from the restated consolidated financial information of our Company, along with our Subsidiaries and joint venture as of and for and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising: (i) restated consolidated statement of assets and liabilities of the Company as of March 31, 2023, March 31, 2022 and March 31, 2021; (ii) the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statement and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; and (iii) related notes, including the summary statement of significant accounting policies, and other explanatory information thereto, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, each as amended from time to time, and e-mail dated 28 October 2021 from 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. For further information, see "*Financial Information*" beginning on page 250.

Ind AS, U.S. GAAP and IFRS differ in certain significant respects from other accounting principles and standards with which investors may be more familiar. We have not made any attempt to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 57. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All figures, including financial information, in decimals (including percentages) have been rounded off to one or two decimals, or to the nearest whole number.

All figures in diagrams and charts, including those relating to financial information and operational metrics have been rounded to the nearest decimal place, whole number, thousand or million, as applicable.

However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 34, 183 and 309, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we use a variety of financial and operational metrics such as EBITDA, EBITDA Margin, Debt Equity Ratio, Net Debt, Net Debt to EBIDTA, Net Asset Value per Equity Share, Net Worth, Return on Net Worth, Return on Equity, Return on Capital Employed, EBITDA CAGR, PAT CAGR and Revenue CAGR (together, "**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus, to measure and analyze our financial and operational performance from period to period. See also *"Risk Factors — Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable"* on page 57.

We use the above mentioned Non-GAAP Measures to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP Measures, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. These Non-GAAP Measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity, profitability or cash flows generated by operating, investing or financing activities under Ind AS, Indian GAAP, IFRS or US GAAP.

Non-GAAP Measures are presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. These Non-GAAP Measures may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP Measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP Measures. A reconciliation is provided in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures*" on page 56 for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP Measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Currency and Units of Presentation

All references to:

- "₹", "Rs.", "INR" or "Rupees" are to Indian Rupees, the official currency of the Republic of India:
- "US$" or "USD" are to United States Dollars, the official currency of the United States of America;

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	Exchange rate as of		
	March 31, 2023 (₹)	March 31, 2022 (₹)	March 31, 2021 (₹)
1 USD^	82.22	75.81	73.50

^Source: FBIL Reference Rate as available on https://www.fbil.org.in/.
Note: Exchange rate is rounded off to two decimal places

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from the industry report titled "*Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India*" dated September 21, 2023 which is exclusively prepared for the purpose of the Offer and issued by Frost and Sullivan and is commissioned and paid for by our Company. Frost & Sullivan is not related in any manner to our Company or any of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel. The F&S Report will be available on the website of our Company at https://krystal-group.com/investor/ until the Bid / Offer Closing Date.

Industry and marked data from the F&S Report is subject to the following disclaimer:

*"The report titled "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" dated September 21, 2023 has been prepared for the proposed initial public offering of equity shares by Krystal Integrated Services Limited (the "**Company**").*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

For risks in this regard, see "*Risk Factors – This Draft Red Herring Prospectus contains information from an F&S Report which we have commissioned and paid for, from Frost & Sullivan. There can be no assurance that such third -party statistical, financial and other industry information is either complete or accurate.*" on page 55.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 34. In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" on page 111 includes information relating to our peer companies. Such information has been derived from publicly available sources, and neither we, nor the Lead Manager or any of its affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely" "objective", "plan", "propose", "project", "seek to", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's expected financial conditions, results of operations, strategies, objectives, business plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate, incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our revenue from operations is highly dependent upon a limited number of customers;
- A significant part of our revenue is generated from government contracts obtained through a competitive bidding process. There can be no assurance that we will qualify for, or that we will successfully compete and win such tenders, or maintain these customer relationships;
- A significant portion of our revenues are derived from a few geographical regions and any adverse developments affecting such regions could have an adverse effect on our business, cash flows, results of operation and financial condition;
- Our business revenue from operations is concentrated in a few segments;
- Operational risks are inherent in our business as it includes rendering services in diverse environments depending on customer requirements. A failure to manage such risks including any errors, defects or disruption in our service or inability to meet expected or agreed service standards, could have an adverse impact on our business, cash flows, results of operations and financial condition;
- Our focus sectors (healthcare, education and government spending) may not grow as anticipated;
- We have a large workforce deployed across workplaces and customer premises. Consequently, we may be exposed to service-related claims and losses or employee disruptions, as well as employee related regulatory risks, that could have an adverse effect on our reputation, business, cash flows, results of operations and financial condition;
- Our businesses are manpower intensive and our inability to attract and retain skilled manpower could have an adverse impact on our growth, business and financial condition. Further, in the event we are not able to manage our attrition, we may not be able to meet the expectations of our customers, which may have an adverse impact on our financial condition.
- Our business could be adversely affected if our customers fail to renew their contracts with us or we fail to acquire new customers.
- We have significant employee benefit expenses, such as workers' compensation, staff welfare expenses and contribution to provident and other funds. In case we face an increase in employee costs that we are unable to pass on to our customers, we may be prevented from maintaining our competitive advantage and our profitability may be impacted.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 125, 183 and 309, respectively, of this Draft Red Herring Prospectus have been obtained from the F&S Report prepared by Frost & Sullivan, which has been paid for and commissioned by our Company.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 34, 183 and 309, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, our Directors, the Promoter Selling Shareholder, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the date of Allotment. The Promoter Selling Shareholder will ensure that investors in India are informed of material developments in relation to the statements relating to and undertakings confirmed or undertaken by the Promoter Selling Shareholder and its portion of the Offered Shares in the Red Herring Prospectus, from the date thereof, until the receipt of final listing and trading approvals from the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, and the Red Herring Prospectus, when available, before making an investment in the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

The risks and uncertainties described in this section are not the only risks that we may face or our Equity Shares or the industry and segments in which we currently operate or propose to operate. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see section "Forward-Looking Statements" beginning on page 32.

To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 183, 125 and 309, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus and the Red Herring Prospectus, when available.

Unless otherwise indicated or the context otherwise requires, the financial information as of and for the Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 included herein is derived from our Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 250.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" dated September 21, 2023 (the "**F&S Report**") prepared and released by Frost & Sullivan and commissioned and paid for by us and prepared exclusively in connection with the Offer. We officially engaged Frost & Sullivan for purposes of commissioning the F&S Report for the Offer pursuant to an engagement letter dated June 26, 2023. The F&S Report is available at the following web-link: https://krystal-group.com/investor/. The F&S Report was prepared using publicly available financial information. Frost & Sullivan is not related in any manner to our Company or any of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel or the BRLM. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Unless the context otherwise requires, in this section, references to "our Company" and "the Company" refers to Krystal Integrated Services Limited, on a standalone basis, and references to "we", "us" or "our", refers to Krystal Integrated Services Limited, on a consolidated basis.

INTERNAL RISK FACTORS

1. Our revenue from operations is highly dependent upon a limited number of customers.

In Fiscals 2023, 2022 and 2021, we generated revenue of ₹2,470.15 million, ₹1,894.48 million, and ₹1,429.01 million, respectively from our largest customer, which represented 34.91%, 34.28%, and 30.32% of our revenue from operations for the same periods. Further, our revenue from our top 10 customers for Fiscals 2023, 2022 and 2021 was ₹5,135.78 million, ₹3,929.35 million, and ₹3,756.98

million, respectively, which represented 72.58%, 71.10%, and 79.72% of our revenue from operations for the same periods.

Since we are significantly dependent on certain key customers for a significant portion of our revenue, the loss of any one of our key customers, including our top customer, for any reason (including, due to loss of contracts, unsuccessful tender bid for government contracts, or failure to negotiate acceptable terms in contract renewal negotiations, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their operations, reduced or delayed customer requirements, shutdowns, labour strikes or other work stoppages), could have an adverse effect on our business, results of operations and financial condition. For instance, our contract with our largest customer expired on March 31, 2023, and was extended up to September 30, 2023 or till a new tender is finalised, whichever is earlier. While we are in the process of bidding for the tender for the subsequent period, there can be no assurance that we will be successful in our bid or be able to further extend the contract.

While we strive to maintain good relations with our key customers, there is no assurance that our key customers will continue to avail our services in the future. There can be no assurance that we will not lose all or a portion of our business generated by these key customers, or that we will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement of our services and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

2. ***A significant part of our revenue is generated from government contracts obtained through a competitive bidding process. There can be no assurance that we will qualify for, or that we will successfully compete and win such tenders, or maintain these customer relationships.***

A significant portion of our business is dependent on government contracts. For instance, seven of our top 10 customers, including our largest customer, based on revenue generated for Fiscal 2023, are government entities. In Fiscals 2023, 2022 and 2021, our revenue from government entities was ₹5,212.75 million, ₹4,050.98 million, and ₹3,271.12 million, respectively, which represented 73.66%, 73.30% and 69.41% of our revenue from operations for the same periods.

These contracts are typically awarded through a competitive bidding process. Our ability to bid for these contracts depends on us meeting the prescribed pre-qualification criteria or eligibility criteria which may vary depending on the nature of size of the contract. If we are able to qualify for the bid on the specified parameters, we then compete with other interested bidders on, among other things, pricing, track record and experience. There can be no assurance that we would be able to successfully bid for such contracts, or at all. In addition, the bidding and selection process for any government contract is affected by a number of factors, including factors which may be beyond our control, such as market conditions or government budget allocations. Government conducted tender processes may also be subject to change in qualification criteria, unexpected delays and uncertainties. Therefore, while we spend considerable time and resources in the preparation and submission of bids, there can be no assurance that we will be successful in such bids. During Fiscals 2023, 2022 and 2021, our bid success ratio for government contracts was 14.58%, 19.23% and 4.76%, respectively.

For instance, two writ petitions have been filed against us before the High Court of Dehi at New Delhi challenging the process of evaluation of tenders for work of security manpower services in government schools run by the Department of Education and alleging illegal and arbitrary denial for the awarding tenders to our Company. For further details, please see "*Outstanding litigation and material developments-Other material litigation against our Company*" on page 349.

Our future success is also dependent to a large extent on our ability to maintain good relationships with government agencies and associate entities. If our relationship with these entities deteriorate or if we are unable to fulfil our contractual obligations, our contracts may be terminated and these entities may contract with other service providers. We are also exposed to the risk of cancellation of the contract and subsequent blacklisting by such agencies in case we fail to provide our services effectively, which would adversely affect our ability to obtain new government contracts in the future. While we have not been blacklisted in the past, in case we get blacklisted from participating in future tenders issued by government entities, it could adversely impact our business, results of operations, financial condition and prospects.

There can be no assurance that the central or state governments will continue to place emphasis on integrated services, including housekeeping and sanitation. In the event of an adverse change in budgetary allocations for such services resulting from a change in government policies or priorities, our business prospects and our financial performance may be adversely affected. Further, contracts with government institutions and public sector undertakings may be subject to extensive internal processes, policy changes, and insufficiency of funds which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract. Due to these and other factors, certain terms of such contracts, such as pricing terms, contract period, use of sub-contractors and ability to transfer receivables under the contract or make appropriate adjustments as a result of changes in the tax regime, are also less flexible than contracts with private companies. These contracts are not always subject to an automatic extension and renewal of such agreements is typically based on a competitive bidding process, or on mutually acceptable terms. If we are unable to renew such agreements on terms that are commercially viable, there may be a significant impact to our revenue from operations.

Any adverse change in the policies adopted by the government regarding award of its contracts or our existing relationship with the government may adversely affect our ability to win such contracts. To the extent that any of the contracts awarded to us by the government entities are delayed, disrupted or cancelled, or subject to fund reallocation or insufficiency, our cash flows, business, results of operations and financial condition may be adversely affected. Any adverse changes in government policies may lead to our agreements being restructured or renegotiated, which could adversely affect our revenues, cash flows or operations relating to existing contracts as well as our ability to participate in competitive bidding or bilateral negotiations for future contracts.

3. A significant portion of our revenues are derived from a few geographical regions and any adverse developments affecting such regions could have an adverse effect on our business, cash flows, results of operation and financial condition.

A significant portion of our revenue from operations are derived from our services offered to customer locations in Maharashtra and Tamil Nadu. For Fiscals 2023, 2022 and 2021, our revenue generated from operations in Maharashtra was ₹3,062.95 million, ₹2,316.20 million, and ₹2,234.16 million, respectively, which represented 43.28%, 41.91%, and 47.41% of our revenue from operations for such periods., For Fiscals 2023, 2022 and 2021, our revenue generated from operations in Tamil Nadu was ₹2,661.06 million, ₹2,045.41 million, and ₹1,526.89 million, respectively, which represented 37.60%, 37.01%, and 32.40% of our revenue from operations for the same periods.

Any decrease in revenue from Tamil Nadu and Maharashtra, including due to increased competition or supply, or reduction in demand, or our inability to extend or renew subsisting contracts at commercially viable terms, may have an adverse effect on our business, cash flows, results of operation and financial condition. Further, any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting these geographical regions may adversely affect our business. Additionally, changes in the policies of the state or local governments of these regions may require us to change our business strategy. We cannot assure you that we will be able to address our reliance on these few geographical regions, in the future.

4. Our business revenue from operations is concentrated in a few segments.

As of March 31, 2023, our service offerings include integrated facility management services, staffing and payroll management, private security and manned guarding and catering. The following table sets forth certain information relating to the revenue from operations from the segments in the last three Fiscals:

Business Vertical	**Financial Year ended March 31, 2021**		**Financial Year ended March 31, 2022**		**Financial Year ended March 31, 2023**	
	Revenue *(₹ in million)*	**As a % of Total Revenue from Operations**	**Revenue *(₹ in million)***	**As a % of Total Revenue from Operations**	**Revenue *(₹ in million)***	**As a % of Total Revenue from Operations**
Integrated Facility	3,348.13	71.04	3,230.91	58.46	4,272.98	60.38

Business Vertical	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023	
	Revenue *(₹ in million)*	As a % of Total Revenue from Operations	Revenue *(₹ in million)*	As a % of Total Revenue from Operations	Revenue *(₹ in million)*	As a % of Total Revenue from Operations
Management Services						
Staffing and Payroll Management	718.40	15.24	1,474.94	26.69	1,784.11	25.21
Private Security and Manned Guarding	611.78	12.98	772.86	13.98	924.46	13.06
Catering	34.58	0.73	48.05	0.87	94.81	1.34
Total	4,712.89	100.00	5,526.76	100.00	7,076.36	100.00

For Fiscals 2023, 2022 and 2021, our revenue from integrated facility management services has contributed to 60.38%, 58.46% and 71.04% of our revenue from operations. Any decrease in revenue from any specific segment, including due to increased competition or supply, or reduction in demand, or our inability to extend or renew subsisting contracts at commercially viable terms, may have an adverse effect on our business, cash flows, results of operation and financial condition.

5. ***Operational risks are inherent in our business as it includes rendering services in diverse environments depending on customer requirements. A failure to manage such risks including any errors, defects or disruption in our service or inability to meet expected or agreed service standards, could have an adverse impact on our business, cash flows, results of operations and financial condition.***

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. We render various business services at customer premises in a number of challenging environments, including healthcare and hospitals, schools and colleges, bank branches, manufacturing plants, retail locations, airports and malls. Our reputation is dependent upon the performance of the personnel we place with our customers and the services rendered by such personnel. Any errors, defects, or disruptions in service or other performance issues, or if our customers become dissatisfied with the performance of our personnel, or our account managers, or if they do not perform in accordance with the instructions or standards established by the customers or agreed by us, our business reputation and ability to maintain or expand our customer base may be adversely affected. Further, our customers may bring claims against us in such a case, which could lead to provision for doubtful accounts, an increase in collection cycles for accounts receivable or litigation costs. All these factors could adversely affect our business, cash flows and results of operations.

Our employees provide private security, surveillance and emergency response services which involve physical inspection and interaction such as searching of personal possessions and frisking employees of our customers and members of the public. Our business operations, and in particular, our integrated facility management services, are subject to hazards inherent in providing such services, including risk of equipment failure, production loss to customers, work accidents, food poisoning, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Should any of these risks materialise, there may also be a loss in the reputation of our customers. Further, our integrated facility management services, pest control services, liquid and solid waste treatment and effluent treatment services involve the handling of chemicals such as insecticides and other chemicals required for fumigation, cleaning solutions and disinfectants, which, if handled improperly, may have an adverse impact on the health of our employees, customers and on the environment.

We may be subject to substantial liabilities if we fail to satisfy applicable safety or health standards or cause harm to individuals or entities in the course of rendering our services, the impact of which may exceed the insurance coverage we maintain. Further, our success in these businesses is dependent on our reputation for providing quality services, track record of safety and performance, and our relationship with our customers. Adverse publicity resulting from an accident or other hazardous incident could result in a negative perception of our services and the loss of existing or potential customers.

While we believe that we have in place adequate corporate, crisis response, training and management policies and protocols, a failure to adequately address and manage risks inherent in our business, a failure to meet the operational requirements of our customers, or a failure to develop effective risk mitigation measures, or respond adequately to a crisis situation, could have an adverse effect on our reputation, customer retention, earnings and profitability and consequently, our business, cash flows, results of operations and financial condition may also be adversely impacted. Such risks and other unanticipated operational hazards could also lead to additional regulatory scrutiny and potential liability to third party claims, which could have a material adverse effect on our business growth prospects, cash flows, results of operations and financial condition.

6. Our focus sectors (healthcare, education and government spending) may not grow as anticipated.

We are one of India's leading integrated facilities management services companies with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors (*Source: F&S Report*). For Fiscals 2023, 2022 and 2021, our revenue from healthcare sector amounted to ₹2,664.59 million, ₹2,079.43 million and ₹1,609.12 million, respectively, aggregating to 37.65%, 37.62% and 34.14% of our revenue from operations. Our revenue from the education sector amounted to ₹1454.30 million, ₹1,030.96 million and ₹1,451.09 million in Fiscals 2023, 2022 and 2021, respectively, aggregating to 20.55%, 18.65% and 30.79% of our revenue from operations. For Fiscals 2023, 2022 and 2021, our revenue from government contracts amounted to ₹5,212.75 million, ₹4,050.85 million and ₹3271.12 million, respectively, aggregating to 73.66%, 73.30% and 69.41% of our revenue from operations.

Sector	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Healthcare	2,664.59	37.65	2,079.43	37.62	1,609.12	34.14
Education	1,454.30	20.55	1,030.96	18.65	1,451.09	30.79
Government Contracts	5,212.75	73.66	4,050.85	73.30	3271.12	69.41

As per F&S, investments in healthcare infrastructure are anticipated to drive the demand for integrated facility management services over Fiscal 2023 – Fiscal 2028. Further, Government initiatives such as the 100% foreign investments in educational segment, Revitalising Infrastructure and System in Education (RISE), Education Quality Upgradation and Inclusion Programme (EQUIP) and National Educational Policy 2020 are all expected to bridge the gap in infrastructural demand, particularly in the government sector. With the increase in infrastructure assets and technology adoption in the education segment, the demand for facility management services would increase in the long-term. Sophistication of assets in the segment is expected to drive the outsourcing of facility management, creating opportunities for service providers. (*Source: F&S Report*) Further, in the staffing and payroll management services market in India, with the given shortage of manpower, longer recruitment cycles and the awareness of staffing services, the demand from the government sector is expected to increase in the long-term across healthcare, education, railways and public administration. (*Source: F&S Report*)

While we continue to invest in the services offered to these sectors, there cannot be any assurance that these sectors will grow in the way that we expect it to grow. Further, the deterioration of the financial condition or business prospects of these sectors could reduce their requirement of our services and result in a significant decrease in the revenues we derive from these sectors.

7. We have a large workforce deployed across workplaces and customer premises. Consequently, we may be exposed to service-related claims and losses or employee disruptions, as well as employee related regulatory risks, that could have an adverse effect on our reputation, business, cash flows, results of operations and financial condition.

Given the nature of our business, we have a large workforce. As of August 31, 2023, we employed 39,676 personnel on-site across a network of 2,427 customer locations to undertake our operations. Consequently, our ability to control the workplace environment in such circumstances is limited. The risks associated with the deployment of our personnel include possible claims relating to:

- actions or inactions of our personnel, including matters for which we may have to indemnify our customers;

- inappropriate behaviour on part of our personnel, including sexual harassment of the employees at our customer locations;
- labour unrest, strikes, lockouts and other labour action;
- failure of our personnel to adequately perform their duties including rendering deficient services, shortage in shift, absenteeism or unpunctuality;
- any misuse or contravention of laws or policies relating to firearms by our personnel;
- violation by our personnel of security, privacy, health and safety regulations;
- any failure by us to adequately verify employee and personnel backgrounds and qualifications resulting in deficient services;
- employee errors, malicious acts by existing or former employees;
- damage to the customer's facilities or property due to negligence of our employees;
- breach of confidentiality by existing or former employees; and
- criminal acts, torts or other negligent acts by our employees.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name, which could impact the demand for our services. Adverse publicity concerning reported incidents or allegations of physical or sexual abuse or other harm, whether or not directly relating to or involving us, could result in termination of existing customer relationships or inability to attract new customers, or increased insurance costs, all of which could adversely affect our operations. While there have been no such instances in the past, we cannot assure you that our reputation will not be severely damaged even by isolated incidents in the future, particularly if the incidents receive considerable adverse publicity or result in substantial litigation.

In addition, as per the terms of some of our customer contracts, we indemnify our customers against losses or damages suffered by our customers as a result of negligent acts of our employees. However, in Fiscals 2023, 2022 and 2021, we have not paid any indemnity claims to our customers.

Additionally, we are subject to labour legislations and regulations that protect the interests of workers, including legislations that set forth detailed procedures for the establishment of unions, dispute resolution and employee removal and impose certain financial obligations on employers upon retrenchment of employees, as well as laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime, working conditions, non-discrimination, employee compensation, employee insurance, bonus, gratuity, provident fund, leave benefits and other such employee benefits. These legislations require compliance, from time to time, which may among others, involve payments to be made depending upon their period of employment. Further, regulatory agencies in different states and courts in India may interpret compliance requirements differently, which may make compliance with laws and regulations more complex, time consuming and costly. If we fail to comply with labour welfare legislations, we may be exposed to fines and we may also face the risk of our licenses under applicable legislations being cancelled or suspended. For further details on the labour laws and other regulations applicable to us, please see "*Key Regulations and Policies*" on page 202.

8. Our businesses are manpower intensive and our inability to attract and retain skilled manpower could have an adverse impact on our growth, business and financial condition. Further, in the event we are not able to manage our attrition, we may not be able to meet the expectations of our customers, which may have an adverse impact on our financial condition.

The integrated business services we offer are manpower intensive and we hire a considerable number of personnel every year to sustain our growth. As on March 31, 2021, March 31, 2022 and March 31, 2023, the number of our on-site employees was 26,999, 29,103 and 31,881, respectively. As on August 31, 2023, our number of on-site employees has grown to 39,676.

The cost of hiring and retaining our personnel affects our profitability, and is affected by a number of factors, including our ability to hire and assimilate new employees in the jurisdictions where we operate; our ability to manage attrition; our need to devote time and resources to training, professional development and other non-chargeable activities; and our ability to manage our workforce. We cannot assure you that we will be able to meet our manpower requirements in the future or grow the number of our employees in a consistent manner. Our business operations and financial performance may be adversely affected if we are unable to find sufficient personnel for our operations. Further, we spend significant time and resources in training the manpower we recruit. For details of our training facilities, see "*Our Business – Human Resource and Training Initiatives*" on page 199. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. However, there may be instances, particularly in the case of lost large contracts or a large contract that may have expired, where our employees may join other service providers that secure or take over such contract, which may lead to a relatively higher rate of attrition in the segments in which we operate. Our attrition rate for Fiscals 2021, 2022 and 2023 was 22.00%, 35.88% and 31.38%, respectively. Further, higher attrition rates lead to an increase in our training and recruitment costs, which may have an adverse impact on our profitability and financial condition. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for us to meet our future growth requirements. There can be no assurance that skilled manpower will continue to be available in sufficient numbers and at wages suitable to our requirements.

In addition, we must continually evaluate and upgrade our recruiting and training programs to keep pace with changing customer needs and emerging technologies. We generally recruit new personnel to service new contracts, and while we usually undertake surveys to determine our ability to service our contracts, there is no assurance that qualified personnel shall be available to us in sufficient numbers and on terms of employment acceptable to us. We may not be able to effectively meet the expectations of our customers due to our failure to identify personnel with the requisite skills, experience or other attributes, and our training programs may not succeed in developing effective skills in a timely manner or at all.

Additionally, while we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business, cash flows and results of operations. There can also be no assurance that our employees will not unionize in the future. In the event our employee relationships deteriorate, or we experience strikes, lockouts and other similar action, work stoppages could occur and there could be an adverse impact on our delivery of services to customers. There can be no assurance that the corporate policies we have in place to help reduce our exposure to these risks will be effective or that we will not experience losses as a result of these risks. Any losses that we incur in this regard could have an adverse effect on our reputation, business, cash flows, results of operations and financial condition.

9. Our business could be adversely affected if our customers fail to renew their contracts with us or we fail to acquire new customers.

We typically enter into short-term work orders/ contracts for one-year periods, and our longer-term contracts do not exceed a period of three years. Within the duration of these contracts, the scope of services can vary depending upon the requirements of our customers. Therefore, we need to seek new requirements or cross-sell our service offerings when our current services are completed or terminated with existing customers, and secure new customers in order to expand our business. Similarly, there is no assurance that customers availing our services will look to obtain further services from us or expand their relationship to avail our other offerings.

Further, if our customers shift their business for the services we offer to our competitors, or if we are unsuccessful in retaining high renewal rates and favorable contract terms, our business, financial condition, cash flows and results of operations may be adversely affected. The loss or diminution in business from any of our major customers could have a material adverse effect on our revenue from operations. We may not be able to renew our contracts on favorable terms, or at all, or engage new customers in time to reduce the overall customer attrition rate, which could materially adversely affect our revenue and thus our results of operations.

To increase our revenue, we must continue to attract new customers. Our success will depend to a substantial extent on the widespread adoption of our offerings. Numerous factors may impede our ability to add new customers, including but not limited to, our failure to compete effectively against competitors, failure to attract qualified personnel and effectively train our personnel, failure to successfully innovate and deploy new services or failure to provide a quality customer experience and customer support.

10. We have significant employee benefit expenses, such as workers' compensation, staff welfare expenses and contribution to provident and other funds. In case we face an increase in employee costs that we are unable to pass on to our customers, we may be prevented from maintaining our competitive advantage and our profitability may be impacted.

We also incur various employee benefit expenses, including workers' compensation, staff welfare expenses and contribution to provident and other funds. Employee benefit expenses constituted the largest component of our total expenses, i.e., ₹5,919.04 million, ₹ 4,173.28 million and ₹ 3,998.55 million, representing 88.09%, 89.31% and 86.01% of our total expenses for Fiscals 2023, 2022 and 2021, respectively. In the event the welfare requirements under labour regulations applicable to us are changed, which leads to an increase in employee benefits payable by us, whether as a result of a negotiated increase by our employees or due to changes in applicable laws, there can be no assurance that we will be able to recover such increased amounts from our customers in a timely manner, or at all. Our profit margins may get adversely impacted if we are unable to pass on such costs and cost increases to our customers on a concurrent basis.

11. ***We may be unable to perform background verification procedures on our personnel as well as on our billable employees prior to placing them with our customers.***

We do not ordinarily perform background verification procedures on all our personnel prior to employing them or engaging them. While we undertake such checks where specifically requested by our customers, given the high volume of personnel that we employ each month, and sufficiently reliable information being unavailable in some cases, we may be unable to fully perform background verification procedures on each of our personnel. Further, there may be situations where the information provided may be false or incomplete, resulting in inaccurate background checks. Our inability to perform these procedures fully and a lack of a centralised secure database, could result in insufficient vetting of our personnel, which could in turn result in an adverse effect on our reputation, cash flows, results of operations and business prospects if such personnel engaged in illegal or fraudulent activities during the course of their employment. Further, failure to perform such verification procedures (where applicable under the contract) does not typically result in monetary penalties by our customers but may lead to terminations of our personnel by our customers and replacements need to be provided.

12. ***Our revenues and profitability vary across our business segments, thereby making our future financial results less predictable.***

Our revenues and profitability vary across our business segments and sub-verticals within each business segment:

Business Vertical	**Financial Year ended March 31, 2023**		**Financial Year ended March 31, 2022**		**Financial Year ended March 31, 2021**	
	Revenue *(₹ in million)*	**As a % of Total Revenue from Operations**	**Revenue *(₹ in million)***	**As a % of Total Revenue from Operations**	**Revenue *(₹ in million)***	**As a % of Total Revenue from Operations**
Integrated Facility Management Services	4,272.98	60.38	3,230.91	58.46	3,348.13	71.04
Staffing and Payroll Management	1,784.11	25.21	1,474.94	26.69	718.40	15.24
Private Security and Manguarding	924.46	13.06	772.86	13.98	611.78	12.98
Catering	94.81	1.34	48.05	0.87	34.58	0.73
Total	7,076.36	100	5,526.76	100	4,712.89	100

Our results of operations may fluctuate in the future depending on a number of factors, including but not limited to:

- our ability to increase and/or maintain the proportion of our high-margin business segments, compared to the proportion of our relatively thin margin businesses;
- award of new contracts and contract renewals, and the selection process and timing for performing these contracts that are subject to contingencies beyond our control;
- the size, complexity, timing of revenue recognition, duration, scope, pricing terms and profitability of significant contracts;
- changes in our pricing policies or those of our competitors;
- financial condition or business prospects of our customers; and

- unanticipated cancellations or contract terminations.

As a result of these factors, our results of operations and cash flows may fluctuate from financial reporting period to period. A significant proportion of our operating expenses are fixed. Accordingly, unanticipated variations in our operations may result in variations in our results of operations in any particular financial period.

13. We are dependent on our vendors for the supply of equipment and products that we use in providing our services and solutions. If these vendors were to fail in meeting their obligations, our business and operations would be materially adversely affected. Further, we may also be exposed to fluctuations in the prices of certain of these products and any volatility in their pricing may have an adverse effect on our business, cash flows, financial condition and results of operations.

We do not have any manufacturing facilities and procure our products and equipment, such as safety equipment, chemicals and consumables, from various vendors for the various services and solutions that we offer. We are therefore dependant on third parties for the manufacture of such products and equipment, and maintenance of adequate inventory to ensure that we are able to procure such products and equipment based on supply necessities.

The operations of our vendors are subject to various operating risks, including some which are beyond their control, which may include breakdowns and failure of equipment, industrial accidents, employee unrest, import duties, the outbreak of infectious diseases such as COVID-19, natural disasters, among others. We may face delays in procurement and added costs as a result of the time required to on-board new vendors to undertake manufacturing in accordance with our standard processes and quality control standards. Further, we may also be exposed to fluctuations in the prices of these products and equipment and as consequence, may be unable to control the factors affecting the price at which we procure these materials. Upward fluctuations in the prices of such materials may thereby affect our margins and profitability, resulting in a material adverse effect on our business, cash flows, financial condition and results of operations.

While we strive to have adequate back-up arrangements in place to ensure adequate capacity and sourcing, we cannot assure you that we will always be able to arrange for alternate sources, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers. Any inability on our part to arrange for alternate vendors, on commercially acceptable terms, may have an adverse effect on our business, cash flows, results of operations and financial condition.

14. Significant disruptions of information technology systems and/or ERP systems or breaches of data security could adversely affect our business. Further, we may be exposed to risks and costs associated with protecting the integrity and security of our systems as well as our customers' operational and other confidential information.

Our business is dependent upon increasingly our information technology systems, including internet-based systems, to support business processes as well as internal and external communications. Critical information systems are used in every aspect of our daily operations. We have implemented various information technology ("**IT**") solutions and enterprise resource planning ("**ERP**") solutions to cover key areas of our business functions. As a result of their size and complexity, these systems are exposed to potential damage or interruption from a variety of sources, including malicious intrusion, computer viruses, equipment damage, power outages, and a range of other hardware, software and network problems, which could result in a material adverse effect on our operations. A large-scale information technology malfunction or failure could disrupt our business or lead to disclosure of sensitive company information, and in some cases, while there are firewalls, any improper handling of confidential data could potentially damage our Company's reputation. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers or could lead to the public exposure of personal information (including sensitive personal information) of our employees and others. Such malfunction or disruptions could cause economic losses for which we could be held liable. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We seek to protect our information systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. However, there may be areas in the systems that have not been properly protected from security breaches and other attacks, as well as disruptions arising from physical disasters. Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. While we have instituted a back-up management systems to protect our information technology systems from such disruptions, any such disruption may result in the loss of key information and/or disruption of our business processes, which could adversely affect our business, cash flows, and results of operations.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Cybersecurity attacks are evolving and could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business, cash flows, reputation, results of operations and financial condition. We employ security systems, including firewalls, intrusion detection/ prevention systems and virtual private network authentication, designed to minimize the risk of security breaches. However, these measures and technology may not always be adequate to properly prevent security breaches. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased overhead costs, causing our business and results of operations to suffer.

Further, our business operations involve access by our personnel to customers' operational and other confidential information, and our employees are required to securely handle and transmit confidential information about our customers. While there have been no past instances of disruption or breach of customer data, there can be no assurance that in the future we will not be subjected to claims relating to abuse of confidential information by our employees or proceedings related to intentional or unintentional exposure of our customers' confidential information.

15. We may be required to receive or renew certain approvals or licenses required in the ordinary course of business or to commence new businesses. Failure to obtain or maintain or renew licenses, registrations, permits and approvals may adversely affect our business, cash flows and results of operations.

We require certain statutory and regulatory permits, approvals, licenses, registrations and permissions (hereinafter collectively referred to as "**Permits**") that are necessary to conduct our business and operations. These Permits may be subject to numerous conditions. Further, certain Permits are valid for a specific period and are required to be renewed at regular intervals in accordance with the timelines prescribed under the relevant statutes or as may be provided under the terms of such Permits. For instance, we are required to obtain a license to engage in the business of a private security agency under PSARA. PSARA prescribes eligibility and preference requirements in the recruitment of our personnel, requires us to impart prescribed training and skills to our security personnel, ensure compliance with certain labour welfare laws, maintain registers containing details of our employees and customers, employ a certain number of supervisory personnel and imposes privacy obligations and requirements to cooperate with and report violations of law to law enforcement officials. Such license is typically valid for a period of five years, unless cancelled.

Any inability to obtain or validly maintain some or all of these Permits, or inability to renew such Permits in the time frames prescribed under law or as may be required for the purpose of the business, or any failure to comply with applicable conditions or any claim in relation to breach of any such conditions could adversely affect our business, results of operations, cash flows and financial condition. Our failure to obtain any of these or any other applicable Permits or renewals thereof or comply with the requirements of the Permits, may adversely affect the continuity of our business, hinder our operations may adversely impact our revenues, growth and profitability. In addition, we have and may need to in the future, apply for certain additional Permits or renewal of existing permits, which we do from time to time. For details of the Permits that are necessary and material to our business and operations, see "*Government and Other Approvals*" on page 355.

Any unfavourable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations could require us to obtain additional licenses and approvals. Regulatory authorities could also impose notices and other orders on us if we fail to obtain any required licenses or approvals. To foster our growth, we may also consider entering or operating in new jurisdictions, wherein we may be required to fulfil the state-wise respective compliances, laws and regulatory norms which differ from state to state.

We cannot assure that the Permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. For further details on material Permits, see "*Government and Other Approvals*" on page 355.

16. ***We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, cash flows, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our Individual Promoters, Key Managerial Personnel and Senior Management, other senior personnel, and the performance and productivity of our operational managers and field personnel. Our core management team which includes our Chief Executive Officer and Whole-time Director, oversees the day-to-day operations, implementation of long-term growth and strategy planning of our business. We believe that the inputs and experience of our Individual Promoters, other Directors, Key Managerial Personnel and our Senior Management are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our Individual Promoters, other Directors, Key Managerial Personnel and Senior Management, see "*Our Management*" and "*Our Promoter and Promoter Group*" on pages 216 and 241, respectively.

If such individuals are unable or unwilling for any reason to continue their association with us, or to devote as much time to our operations as they have in the past, we may not be able to identify and engage suitable replacements and may not be able to replace them easily, or at all. As a result of any such factors, our business, cash flows, financial condition, results of operations and prospects and, particularly, our brand value, reputation and expansion strategy, may be adversely affected.

There is no assurance that key members of our management team will not leave us or join a competitor. Competition for experienced management personnel in the business sectors we operate in is intense, the pool of qualified candidates is limited, and we may not be able to retain our senior executives or key personnel or attract and retain skilled senior executives or key personnel in the future. Consequently, there can be no assurance that these individuals will continue to make their services available to us in the future. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, cash flows and our results of operations. In addition, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may consequently lose our proprietary know-how for the benefit of our competitors.

We are also highly dependent on the performance and productivity of our business development team and client managers. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise in order to meet the requirements of our customers. We must continually evaluate our base of available qualified personnel to keep pace with changing customer needs. Competition for individuals with proven skills is intense, and demand for these individuals is expected to remain strong for the foreseeable future. Accordingly, a loss of the services of our key personnel may adversely affect our business, cash flows, results of operations and financial condition.

17. ***The industries in which we operate are intensely competitive and have low barriers to entry in certain instances. Our inability to compete effectively may adversely affect our business, cash flows, results of operations and financial condition.***

As an integrated business services company providing a wide range of business services including integrated facility management services, private security and manned guarding and staffing solutions, we compete with a range of organized and unorganized competitors, depending on the nature and location of services provided. For further details, see "*Our Business*" and "*Industry Overview*" on pages 183 and 125, respectively.

The integrated facility services market is extremely fragmented in India, with more than 20,000 companies operating in this market. The organised segment comprised of about 40-45% of the total market in Fiscal 2023. (*Source: F&S Report*) Further, the industries in which we operate comprise a number of very fragmented and competitive markets, particularly at the local level, with smaller operators competing for local contracts. There is intense pricing competition from private business services agencies which operate at the local level and provide one or more of the services we do, which may be preferred by certain customers, due to factors such as better pricing and local relationships. As a result, our competitors may have greater financial, technical and marketing resources available to them than our businesses that compete against them. We also face the risk of our current or prospective customers deciding to utilize their internal workforce or use independent contractors or service providers in the unorganized segment to manage their facilities.

In addition to our current competitors, additional competitors may enter the market. Specifically, business services markets have relatively low economic barriers to entry and competitive pricing. Competition in these industries may also intensify if service providers offering limited services begin to offer integrated services. Industry consolidation also may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. As a result, there can be no assurance that we will not encounter increased competition in the future. With the potential influx of new competitors, our ability to retain our existing customers and to attract new customers is critical to our continued success. There can be no assurance that our Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins.

Our continued success depends on our ability to compete effectively against our existing and future competitors. We expect that the level of competition will remain high, which could directly impact the size of our workforce and therefore potentially limit our ability to maintain or increase our market share or profitability. Our competitors may succeed in rendering services more effectively and economically than us, which may make our services uncompetitive and adversely affect our business, cash flows, results of operations and financial condition. Enhanced competitive presence could manifest itself in various ways such as pricing pressure, increased competition for customer acquisition and retention, competitive product and service offerings with enhanced features and also competitive pressure on talent acquisition and retention thereby leading to enhanced costs.

18. ***There are outstanding legal proceedings involving our Company, our Promoters, our Subsidiaries and our Directors. Any adverse decision in such proceedings may render us / them liable to liabilities / penalties and may adversely affect our business, results of operations, cash flows and reputation.***

There are several outstanding legal proceedings against our Company, Directors, Promoters and Subsidiaries. These proceedings are pending at different levels of adjudication before various adjudication forums. Brief details of material outstanding litigation that have been initiated by and against our Company, our Directors, our Promoters and our Subsidiaries, as applicable, are set forth below:

Name of the entity	**Number of Material civil litigations**	**Number of Criminal Proceedings**	**Number of Action taken by statutory or regulatory authorities**	**Disciplinary actions imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years including outstanding actions**	**Number of Tax proceedings**	**Aggregate amount involved** *(₹ million)*
Company						
By our Company	Nil	1	Nil	Nil	Nil	Nil
Against our Company	Nil	Nil	2*	Nil	12	261.81
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	Nil	1	6.37
Directors						

Name of the entity	Number of Material civil litigations	Number of Criminal Proceedings	Number of Action taken by statutory or regulatory authorities	Disciplinary actions imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years including outstanding actions	Number of Tax proceedings	Aggregate amount involved (₹ million)
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil^	Nil^	Nil
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	6	36.94

^This excludes the proceedings against Neeta Prasad Lad, who is also one of the Promoters of our Company and the relevant case has been included under the head of 'Promoter'.

Further, as on the date of this Draft Red Herring Prospectus, there are no pending litigation proceedings involving any of our Group Companies which will have a material impact on our Company. For further details, see "*Outstanding Litigation and Other Material Developments*" on page 348.

If any of these outstanding litigations are decided against our Company, Subsidiaries, Directors or Promoters, as the case may be, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. In this regard, we may be subject to penalties and regulatory actions including the suspension of our business. We cannot assure you that these outstanding legal proceedings will be decided in our Company's favour or in the favour of our Subsidiaries, Directors or Promoters, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management's time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our Directors, individual Promoters and/or our profitability, reputation, business, cash flows, results of operations and financial condition.

19. We are subject to risks associated with our contracts, including our ability to correctly assess pricing terms, employee costs and other financial obligations, the increased complexity of our contracts and the potential early termination or change of scope of contracts by clients.

We negotiate pricing terms for a particular contract utilizing a range of pricing structures and conditions, including cost-plus contracts, fixed price contracts and/or SLA linked contracts. Our pricing is dependent on our internal forecasts, which may be based on limited data and could prove to be inaccurate. If we do not accurately estimate the costs and timing for completing fixed price or SLA linked contracts, such contracts could prove unprofitable for us or yield lower profit margins than anticipated. There is a risk that we will under-price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of such contracts, including those caused by factors outside our control, or any failure to complete our contractual obligations at the committed service levels could adversely affect our revenue and profitability.

20. We do not own the trademarks and logos used in our business, including the "Krystal" trademark, and have entered into Trademark License Agreements with one of our Individual Promoters for the usage of such intellectual property rights.

We do not own the trademarks and logos used in our business. These intellectual property rights, including the "*Krystal*" and "*Krystal Gourmet*" trademarks, are registered in the name of Prasad Minesh Lad, one of our Individual Promoters. Pursuant to the Krystal Trademark Agreement, our Company has been granted a non-exclusive, royalty free license to use the name and logo "*Krystal*" till September 19, 2031. Further, pursuant to the Krystal Gourmet Trademark Agreement, Krystal Gourmet has been granted a non-exclusive, royalty free license to use the name and logo "*Krystal Gourmet*" till December 24, 2030.

Our Promoter is entitled to terminate the Trademark License Agreements, upon written notice of 30 days if our Company or Krystal Gourmet, as applicable, default in observing or performing any of our obligations under the respective agreements and fails to correct the default within 30 days. In the event that the Trademark License Agreements are terminated or not renewed, we will have to discontinue the use of the "Krystal" trademark and our logo which may materially and adversely affect our reputation, business, results of operations, financial condition, cash flows and prospects. Further, our Company and Krystal Gourmet, under the respective Trademark License Agreements, have also agreed to indemnify Prasad Minesh Lad, as the licensor, from and against any actual or threatened claims, actions or proceedings arising out of our use of such licensed trademarks. For further details on the Trademark License Agreement, see "*Our Business – Intellectual Property*" on page 200.

Further, the '*Krystal Gourmet*' logo and associated trademarks in certain classes have been erroneously also registered in the name of third party, in addition to being registered in the name of Prasad Minesh Lad. While we, along with Prasad Minesh Lad, are in the process of making the necessary applications to amend the records of the Trade Mark Registry, in the event that such trademarks are used by the third party without our permission, we may not have any recourse against them under law.

21. Our ability to service contracts with public sector undertakings or governmental customers may be affected by political and administrative decisions.

Our contracts with public sector undertakings and Government entities contributed 73.66% of our revenue from operations, for Fiscal Year 2023. In addition, a component of our strategy to grow our business is increasing our presence with government enterprises leveraging on government outsourcing initiatives. The performance of our services for public sector undertakings or governmental customers may be affected by political and administrative decisions concerning levels of public spending and public opinion on outsourcing in general. In certain cases, due to applicable regulations, certain terms of public sector contracts, such as pricing terms, contract period, use of subcontractors and ability to transfer receivables under the contract, are less flexible than comparable private sector contracts. Additionally, any decisions to decrease public spending as a result of an economic downturn, or otherwise, may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on our business, results of operations or financial condition.

22. Our customers may delay or default in making payments for services rendered by us. If we are unable to collect our receivables from our customers, our profits, cash flows and liquidity could be adversely affected.

Cash collection trends and trade receivables have an impact on our cash receipts and, consequently, on our cash flows. Trade receivables constitute a significant portion of our total assets, and were ₹ 1,496.10 million, ₹ 2,411.60 million, and ₹ 2,002.43 million, representing 43.96%, 59.64%, and 59.16% of our total assets as on March 31, 2023, 2022 and 2021, respectively. Our trade receivables outstanding for over six months were ₹295.65 million, ₹ 314.05 million, and ₹310.59 million, representing 19.76%, 13.02% and 15.51% of our total trade receivables as on March 31, 2023, 2022 and 2021, respectively. Our balance write offs from trade receivables were ₹ 0.04 million, ₹ 0.03 million and ₹ 0.76 million as on March 31, 2023, 2022 and 2021 respectively. We typically have credit terms of up to 30 days with our customers. While there have been no material write offs with respect to customers in the last three financial years, we cannot guarantee that our customers will not default on their payments, which might adversely affect our profits margins and cash flows. Our business depends on our ability to successfully obtain payment from our customers for services provided in a timely manner. Consequently, we face the risk of uncertainty regarding the receipt of these outstanding amounts.

Macroeconomic conditions could result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance or working capital requirements, or default on their payment obligations to us. An increase in bad debts or defaulting customers may lead to greater usage of our operating working capital and increased interest costs. If we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected. Successful control of the trade receivables process requires development of appropriate contracting, invoicing, credit, collection and financing policies. Our failure to maintain such policies could have an adverse effect on our business, financial condition and cash flows.

23. Certain of our customer contracts can be terminated by our customers without cause and with or without

penalty, which could negatively impact our revenue and profitability.

Many of our contracts with customers can be terminated with or without cause by providing notice and in some instances, without providing notice and without termination-related penalties. Additionally, in certain contracts, our revenues are conditional upon our meeting predetermined performance levels, service guarantees which if not met by us, could result in incurring penalties payable to the customers. Our inability to meet our service level commitments could adversely affect our revenue and cash flow. While we typically have carve-outs for *force majeure* events, many events, such as equipment failure and third-party vendors being unable to meet their underlying commitments to us, could impact our ability to meet our contractual commitments. Should our customers terminate their contracts with us for non-performance of our obligations, our business and financial condition shall be affected adversely.

Our business is also dependent on the decisions and actions of our customers, and there are a number of factors relating to our customers that are outside our control that might result in the termination of a project or the loss of a customer, including financial difficulties for a customer; change in strategic priorities, resulting in a reduced level of spending on staffing solutions; a demand for price reductions; and a change in strategy by our customers moving more work in-house rather than outsourcing or to our competitors. Therefore, while we have not faced any such instances in the past, our business may be adversely affected if any of our contracts are terminated by our customers at short notice.

24. Our investments in technology systems may not yield intended results. The cost of implementing technologies for our operations could be significant and could adversely affect our business, cash flows, results of operations and financial condition.

Our operations depend in part upon the use and deployments of technology initiatives on a cost effective and timely basis with constant introduction of new and enhanced solutions. Our information systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards, the increasing need to protect customer information and changing customer patterns. Certain of such initiatives that are currently being worked up on include the development of our in-house application, KAS which is being developed to increase productivity through streamlining and real-time tracking of workflows. The application enables automation of services by allowing team members to digitally update the status of assigned tasks at each location. Quality controls such as image-based verification of tasks, GPS-location linked attendance marking, and an online ticketing system are also enabled by the KAS application.

Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not yield intended results. Our new systems, infrastructure and technologies may not perform satisfactorily, or be used effectively, and we may also fail to adapt our service platforms to reflect our increased size and scale, user requirements or emerging trends and industry standards. If we do not effectively and appropriately expand and upgrade or downsize and scale back our systems and platforms, as appropriate, in a timely manner and at a reasonable cost, we may lose market opportunities, increase our costs and lead to us being less competitive in terms of our prices or quality of services we render. Any delays in completing or an inability to successfully complete these technology initiatives, or an inability to achieve the anticipated efficiencies, could affect our result of operations and financial condition.

Further, there is a risk that we may not sufficiently invest in evolving technology or industry developments, or evolve our business with the right strategic investments, or at sufficient speed and scale, to adapt to changes in our market. Our failure to successfully adopt new technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of services we provide, which may have an adverse effect on our business operations and financial performance.

25. Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, cash flows, results of operations and financial condition.

As of August 31, 2023, our total outstanding borrowings were ₹ 1,631.99 million, on a consolidated basis. We also intend to use the Net Proceeds for repayment and / or prepayment of certain borrowings availed by our Company in the manner specified in "*Objects of the Offer*" on page 98. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our businesses. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Further, any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of our credit facilities, default and acceleration of amounts due under such facilities, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our cash flows, financial condition and results of operations. Certain of our financing arrangements also contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under any of our debt financing agreements could have an adverse effect on our business, cash flows, results of operations and financial condition.

Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- any change in capital structure;
- any amendments to our memorandum of association and articles of association;
- dilution of promoters' shareholding;
- any transfer of controlling stake in the Company by its promoters;
- change in composition of board of directors;
- formulation of any scheme of amalgamation or reconstruction or merger or demerger;
- investment by way of share capital or loan or advance to or place deposits with any other concern (including group companies);
- issuing any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies);
- entering into borrowing arrangements either secured or unsecured with any other bank, financial institution, company, or person, beyond stipulated limits, if any;
- creating any further charge, lien or encumbrance over the assets and properties of the Company, guarantors to be charged, charged to the lender in favour of any other bank, financial institution, firm, or person;
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the lender.

Further, Prasad Minesh Lad, Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad and Krystal Family Holdings Private Limited, our Promoters, Krystal Aviation Services Private Limited, our Group Company, and Prasad Lad HUF, members of our Promoter Group have provided personal guarantees as security for certain facilities taken by our Company. For further details, please see chapter titled "*Financial Indebtedness – Guarantee*" on page 308.

Our Company has created charges in favour of our lenders on entire current assets and first change by way of mortgage of the immoveable assets of our Company to secure our indebtedness. See "*Financial Indebtedness - Security*" on page 306 for further details. In the event that any lender seeks the accelerated repayment of any such loan or seeks to, and is successful in, enforcing any other rights against us there could be a material adverse effect on our business, cash flows, financial condition and results of operations.

Any failure to comply with the conditions and covenants in our financing agreements, the creation of additional encumbrances that are not waived by our lenders or guarantors or otherwise cured, the occurrence of a material adverse event that could lead to an event of default and consequent termination of our credit facilities, could adversely affect our business, results of operations, financial condition and cash flows.

26. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially have an adverse effect on our business.***

In the ordinary course of our business, our Company has in the past entered into related party transactions, including for sale of service, rent expenses, manpower expenses, cleaning charges, interest expenses, remuneration paid to Directors and KMPs, and may continue to do so in the future. For details regarding our related party transactions, see "*Summary of Related Party Transactions*" on page 22.

While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Although going forward, all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that we will be able to address such conflicts of interests or others in the future.

27. ***Our business requires significant amounts of working capital. We may not be able to obtain future financing on favourable terms or at all or furnish bank guarantees in the future. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital primarily due to the fact that a significant amount of time passes between when we make payments to our vendors and personnel, and when we receive payments from our customers. Consequently, there could be situations where the total funds available to us may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our total outstanding borrowings as on August 31, 2023 were ₹ 1,631.99 million, on a consolidated basis. Additionally, our Company intends to utilise ₹1,000 million from the Net Proceeds to fund working capital requirements of our Company in Fiscals 2024 and 2025. For details, "*Objects of the Offer*" on page 98.

If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. However, our ability to arrange financing and the cost of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financial covenants that would restrict our operations. Our ability to access international capital and lending markets may be restricted at a time when we would like, or need, to do so, especially during times of increased volatility and reduced liquidity in global financial markets and stock markets, including due to policy changes and regulatory restrictions, which could limit our ability to raise funds. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations.

Our Company is also required to furnish bank guarantees in the ordinary course of business in relation to the fulfilment of provisions of certain of our contracts, as and when required. In the event that any such bank guarantees are invoked and if we are unable to meet our guarantee requirements, then legal proceedings may be initiated against us, or we may incur additional costs. While we have not defaulted in the payment of any of our borrowings including bank guarantees, we cannot assure you that we will not default in future.

Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see "*Financial Indebtedness*" on page 306.

28. ***We are subject to risks arising from interest rate fluctuations, which could reduce our profitability and adversely affect our business, cash flows, financial condition and results of operations.***

Our operations are partly funded by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our cash flows, results of operations and financial condition. The interest rate for certain loan amounts availed by us is expressed as the base rate of a specified lender and interest spread per annum, which is variable. As of August 31, 2023, our total outstanding borrowings were ₹1,631.99 million, out of which total outstanding of ₹ 645.48 million was subject to variable interest rates. Further, most of our financing agreements include provisions providing for interest rates to be periodically reset, or changed based on the lender's internal policies. Interest rates for borrowings have been volatile in India in recent periods. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and may have an adverse effect on our business, results of operations, cash flows and financial condition. Our interest expenses were ₹81.56 million, ₹85.10 million and ₹76.08 million, representing 1.15%, 1.54% and 1.61% of our revenue from operations, as on March 31, 2023, 2022 and 2021 respectively. See "*Financial Indebtedness*" on page 306 for a description of interest typically payable under our financing agreements.

Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

29. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, cash flows, results of operations and financial condition.***

Our principal types of insurance, among others, includes policies for motor insurance, machinery insurance, property insurance, group accident insurance, group mediclaim insurance, professional indemnity, commercial general indemnity, employee compensation insurance, stock insurance, and office package insurance. As of March 31, 2023, our insurance cover was ₹412.09 million and our insurance cover as a percentage of the total assets of our Company was 52.68%.

For details, see "*Our Business – Insurance*" on page 200. While we believe that the level of insurance we maintain is appropriate for the risks of our business, notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable in the future. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Additionally, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition, cash flows and results of operations could be adversely affected.

30. We are unable to trace certain documents in relation to regulatory filings, corporate actions taken by our Company and have made certain delayed or inaccurate statutory form filings with the RoC in the past and are delayed in filing of other statutory forms with the RoC. Consequently, we may be subject to adverse regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected

We are unable to trace certain documents in relation to regulatory filings and corporate actions taken by our Company. Consequently, there may have been non-compliances with certain provisions of the Companies Act, 1956 and Companies Act, 2013 and failures in making certain regulatory filings by our Company. For instance, we are unable to trace Form 1A and 1B and the respective challans filed for change in name of the Company from 'Sea King Enterprises Private Limited' to 'Krystal Tradecom Private Limited', as required to be filed under the Companies Act, 1956. We have relied on alternate documents, including the certificate of incorporation and Form 18 for the relevant details in this regard. Further, we are unable to trace the form filings for transfer of Equity Shares to Krystal Family Holdings Private Limited in 2016. We have also filed certain statutory forms with the RoC which had inadvertent factual inaccuracies. For instance, we have, in the past, inaccurately filed statutory forms for change in registered office of the Company. In the form filings related to the submission of filings concerning Saily Prasad Lad, a technical issue has arisen within the MCA portal, resulting in the automatic insertion of inaccurate information into such forms. Additionally, in relation to certain allotments made by the Company, we are unable to trace challans for forms filed for such allotments.

We cannot assure you that the secretarial records or regulatory filings which we have not been able to locate or inaccurately filed will be available in the future, or that the regulatory filings were done in accordance with applicable law or at all or in timely manner. Additionally, while no disputes or penalties have arisen or been imposed in connection with these secretarial records as on the date of this Draft Red Herring Prospectus, we cannot assure you that no dispute or penalties shall arise or be imposed in the future, including for any delay in statutory filings. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business, reputation, operations, prospects or financial results.

31. We face risks related to health epidemics and pandemics such as COVID-19 which could adversely affect our business.

We might be adversely affected by events outside of our control, including widespread public health issues, such as epidemic or pandemic infectious diseases; natural disasters such as earthquakes, floods or severe weather; political events such as terrorism, military conflicts and trade wars; and other catastrophic events. We face risks related to health epidemics and pandemics, including risks related to any responses thereto by the government of India, as well as our customers and suppliers. For instance, as a result of COVID-19, our receivable days increased to 156 days in Fiscal 2021 and 160 days in Fiscal 2022. For further details, see "*Objects of the Offer*" on page 98. Any future disruption in our ability to service our customers could have an adverse effect on our revenue, results of operations, and cash flows. We also face risks related to a downturn in our customers' respective businesses, due to government restrictions such as lockdowns. An economic slowdown or recession due to health epidemics and pandemics, including the recurrence of the COVID-19 pandemic or a similar variant of the disease, may affect our customers' ability to obtain credit to finance their business on acceptable terms, which could result in reduced spending on our service offerings.

32. Although it will be subject to monitoring, our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net

Proceeds in the manner intended by us will result in any increase in the value of your investment.

We intend to use the Net Proceeds for the purposes described under "*Objects of the Offer*" on page 98. The objects of the Offer include repayment/prepayment, in full or part, of certain borrowings availed of by our Company, funding working capital requirements of our Company, funding capital expenditure for purchase of new machinery and general corporate purposes. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations and other financial and operational factors or various other risks and uncertainties, including those set forth in this section, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Furthermore, pursuant to Section 27 of the Companies Act, 2013, any variation in the objects would require a special resolution to be passed by the Shareholders of our Company and our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects in accordance with the Articles of Association of our Company and as may otherwise be prescribed by SEBI.

In the case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the objects of the Offer is lower than the proposed deployment, such balance will be used for future growth opportunities, and general corporate purposes. If estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward to the next fiscal year.

Our management will have significant flexibility in temporarily investing the Net Proceeds and there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary investments.

33. We intend to utilise ₹ 100 million from the Net Proceeds for funding our capital expenditure requirements towards purchase of new machinery, for which we have not placed any orders or entered into any definitive agreements.

We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for purchase of new machinery for our business operations. We have estimated the total cost of such capital expenditure to be ₹ 100 million. We are yet to place orders for such machinery. There can be no assurance that we will be able to place orders for such machinery in a timely manner or at all. We have not entered into any definitive agreements in respect of such capital expenditure and have relied on the quotations received from third parties for estimation of the cost. The quotations relied on for such estimation are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated or that there will not be cost escalations. For details, see "*Objects of the Offer*" on page 98.

34. Our Statutory Auditors have included certain observations for Fiscals 2021, 2022 and 2023 in their reporting under the Companies (Auditors Report) Order, 2020.

Our Statutory Auditors have included certain observations for Fiscals 2021, 2022 and 2023 in their reporting under the Companies (Auditors' Report) Order, 2020 for our Company and our Subsidiaries. For details of the observations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Reservations, qualifications, or adverse remarks*" on page 339. There can be no assurance that any similar observations will not form part of the audit reports on our financial statements for future fiscal periods, or that such observations will not affect our financial results in future fiscal periods. Investors should consider these observations in evaluating our financial condition, results of operations and cash flows. Any such observations on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

35. We have not paid any dividends in the past and our ability to pay dividends in the future will depend on

our earnings, financial condition, working capital requirements, the performance of our acquired businesses, capital expenditures and restrictive covenants of our financing arrangements.

No dividends have been declared and paid by our Company on the Equity Shares for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. The declaration and payment of dividends on the Equity Shares will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of our Articles of Association and applicable laws including the Companies Act and SEBI Listing Regulations. Our Company has no formal dividend policy as on the date of this DRHP.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, growth opportunities, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our contractual obligations, results of operations, financial condition, revenues, profits, capital requirements and business prospects and any other financing arrangements. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 306.

We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For further details, see "*Dividend Policy*" on page 249.

36. Our contingent liabilities not provided for as per Ind AS 37, as disclosed in our Restated Consolidated Financial Information could adversely affect our financial condition.

As at March 31, 2021, March 31, 2022 and March 31, 2023, our contingent liabilities not provided for, on a consolidated basis, were as follows:

(₹ in million)

Particulars	Financial Year		
	March 31, 2023	March 31, 2022	March 31, 2021
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

**Out of above, the Company has already deposited ₹ 4.00 million with the income tax authorities.*

If a significant portion of these liabilities materialize, it could have an adverse effect on our results of operations, cash flows and financial condition.

37. The premises for our registered office, training centre, branch offices, warehouses and certain other properties used by us are held by us on a leasehold basis, which subjects us to certain risks.

Certain of the premises used by us, including our registered office, training centre, branch offices and warehouses, are held by us on a leasehold basis. For further details, see *"Our Business – Property"* on page 201.

Upon expiration of the relevant agreement for such premises, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all.

Termination of our leases may occur for reasons beyond our control, such as breaches of lease agreements by the landlords of our premises which is detrimental to our operations. If we, our current or future landlords breach the lease agreements, we may have to relocate to alternative premises. Once we obtain a lease, we incur significant expenses to install necessary furniture, fittings, lighting, security systems and air conditioning, to ensure such unit is designed in line with our requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Occurrence of any of these factors may materially and adversely affect our business, cash flows, financial condition and results of operations.

Some of these lease deeds may have expired and while we endeavour to renew all of these lease deeds in due course, there is no assurance that we will be able to renew any or all of these leases. Our failure to maintain or renew such agreements on favorable conditions and in a timely manner, or at all, could require us to vacate such facilities and lease alternative locations. For instance, our branch offices in Delhi and Hyderabad are located on land where we have not renewed the lease deed.

In addition, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of. In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, cash flows, financial condition and results of operations may be adversely affected.

38. This Draft Red Herring Prospectus contains information from an F&S Report which we have commissioned and paid for, from Frost & Sullivan. There can be no assurance that such third -party statistical, financial and other industry information is either complete or accurate.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors, Promoters, Key Managerial Personnel or Senior Management. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the F&S Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources are required to exercise due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. A copy of the F&S Report shall be available on the website of our Company at https://krystal-group.com/investor/ . See "*Industry Overview*" on page 125. For the disclaimers associated with the F&S Report, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data*" on page 28.

39. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.

Our management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by it while taking into account the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls to ensure the orderly and efficient conduct of our business, including adherence to our policies, the safeguarding of our 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.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. While we have taken measures to strengthen our internal control system and have conducted audits to review gaps and process weaknesses and implemented the suggested measures, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

40. The average cost of acquisition of Equity Shares by the Promoter Selling Shareholder may be less than the Offer Price.

The average cost of acquisition of Equity Shares by the Promoter Selling Shareholder may be less than the Offer Price, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager. The details of the average cost of acquisition of Equity Shares held by the Promoter Selling Shareholder are set out below:

Name of the Promoter Selling Shareholder	Number of Equity Shares held	Average Cost of Acquisition per Equity Share (in ₹)*
Krystal Family Holdings Private Limited	11.524,388	30.00

**As certified by T R Chadha & Co LLP, Chartered Accountants by way of their certificate dated September 27, 2023*

For further details regarding the weighted average cost of acquisition of Equity Shares by the Promoter Selling Shareholder and build-up of Equity Shares by the Promoter Selling Shareholder in our Company, see "*Offer Document Summary– Average cost of acquisition*" on page 25.

41. We have experienced negative cash flows from, investing and financing activities in previous periods and cannot assure you that we will not experience negative cash flows in future periods. Negative cash flows may adversely affect our financial condition, results of operations and prospects.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the years / period indicated.

(In ₹ million)

Particulars	Financial Year ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Net cash flow from / (used in) operating activities	79.58	199.86	717.81
Net cash flow from / (used in) investing activities	176.07	(178.91)	(320.09)
Net cash flow from / (used in) financing activities	(267.72)	(30.59)	(308.92)
Cash and cash equivalents at the beginning of the year / period	26.63	14.55	4.90
Net increase/(decrease) in cash and cash equivalents	(12.08)	(9.64)	88.81
Cash and cash equivalents at the end of the year / period	14.55	4.90	93.71

We may experience negative cash flows in the future as well. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations.

For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 309.

42. We may need to change our pricing models as and when necessary to compete successfully and an inability to do so could have an adverse effect on our business, cash flows, financial condition and

results of operations.

The intense competition we face in our businesses, and general economic and business conditions can put pressure on us to reduce our prices. If our competitors offer deep discounts on certain services, we may need to lower prices or offer other favourable terms in order to compete successfully. Any such changes may reduce margins and could adversely affect our operating results. Any broad-based change to our prices and pricing policies could cause our revenues to decline or be delayed as a result of our customers adjusting to the new pricing policies. Some of our competitors may bundle services for promotional purposes or as a long-term pricing strategy and provide best price guarantees. These practices could, over time, significantly constrain the prices that we can charge for certain of our services. If we do not adapt our pricing models to reflect changes in customers' use of our services or changes in customer demand, our revenues could decrease and it could have an adverse effect on our business, cash flows, financial condition and results of operations.

43. Our Company will not receive any proceeds from the Offer for Sale.

The Offer includes an offer for sale of Equity Shares by the Promoter Selling Shareholder. The entire proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder, and we will not receive any such proceeds from the Offer for Sale. For further details, see "*The Offer*", "*Capital Structure*" and "*Objects of the Offer*" on pages 69, 84 and 98, respectively.

44. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Debt Equity Ratio, Net Debt, Net Debt to EBIDTA, Net Asset Value per Equity Share, Net Worth, Return on Net Worth, Return on Equity, Return on Capital Employed, EBITDA CAGR, PAT CAGR and Revenue CAGR which are derived from the Restated Consolidated Financial Information (collectively, the "**Non-GAAP Measures**") have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the years / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure.

These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

45. Our Corporate Promoter will continue to retain significant shareholding in our Company after the Offer, which will allow it to exercise significant influence over us.

As on date of this Draft Red Herring Prospectus, our Corporate Promoter holds 99.99% of our equity share capital. After the completion of the Offer, our Corporate Promoter will hold approximately [●]% of our equity share capital. Accordingly, our Corporate Promoter will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Corporate Promoter. The interests of our Corporate Promoter, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Corporate Promoter will act to resolve any conflicts of interest in our Company's or your favour.

46. Certain of our Promoters, Directors, Key Managerial Personnel and members of Senior Management may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Certain of our Promoters, Directors, Key Managerial Personnel and members of Senior Management may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares, as applicable, held by them and by members of our Promoter Group, to the extent applicable, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Certain of our Directors, Key Managerial Personnel and members of Senior Management may also deemed to be interested in our Company to the extent of stock options, that may be granted to them pursuant to the Krystal ESOP Plan, 2023 or any Equity Shares that may be held by them in the future including, pursuant to exercise of stock options. There can be no assurance that our Promoters, Directors, our Key Managerial Personnel and members of Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see "*Capital Structure*", "*Our Promoters and Promoter Group*", "*Our Management*" and "*Other Financial Information – Related Party Transactions*" on pages 84, 241, 216 and 304, respectively.

47. Conflicts of interest may arise out of common business objects between our Company and our Promoters, Group Companies, and certain of the members of our Promoter Group.

Conflicts may arise in the ordinary course of decision making by our Promoters or Board of Directors. Certain of the members of our Promoter Group such as Krystal Allied Services Private Limited and Krystal Aviation Services Private Limited are engaged in, or authorized to carry out, business similar to that of our Company. While we will adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner. Further, due to the conflict of interest between us, or to the extent that competing business operations offered by these Promoter Group members erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, cash flows, results of operation and financial condition may be adversely affected.

EXTERNAL RISK FACTORS

Risks Related to India

48. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia, Europe and the United States of America. In particular, the ongoing military conflicts between Russia and Ukraine could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The COVID-19 pandemic significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets. It may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, cash flows, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

In addition, India has experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, guerilla activity or other types of civil disorder. Acts of violence, terrorist attacks, regional conflicts or situations or war may also adversely affect the financial markets, which may impact our business. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand.

49. Our business is significantly affected by fluctuations in general economic activity.

Demand for integrated business services is significantly affected by the general level of commercial activity and economic conditions in the regions in which we operate. Our results of operations are affected by the level of business activity of our customers, which in turn is affected by the macroeconomic conditions in the economy and the industries in which they operate.

An economic downturn in a region in which we operate may adversely affect our operations in that region, as the demand for management of commercial and office spaces is co-related with the overall commercial activity in the region. Some of our Company's top customers are multi-national corporations, and a downturn in the global markets may adversely affect their operations, thereby affecting our business, cash flows, financial conditions or results of operations.

During period of economic downturn, many companies may look to reduce fixed costs, and may accordingly limit their use of facility management and other business services. We may also experience more competitive pricing pressure during periods of economic downturn. If, in the event of unfavorable economic conditions, companies limit their spending on the services which we provide, it may have a material adverse effect on our financial and operating performance. Economic recovery is difficult to predict, and may be short lived, slow or uneven, with certain regions continuing to experience declines or weakness in economic activity while others improve. Differing economic conditions and patterns of economic growth or contraction in the geographical regions in which we operate may affect demand for our business services. Negative developments in one or more regions we operate in could result in a reduction in demand for our services, the cancellation or delay of contracts already placed, difficulty in collecting receivables, and a higher cost of doing business, any of which could adversely affect our business, cash flows, results of operations or financial condition.

***50. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business*.**

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

51. Investors may not be able to enforce a judgment of a foreign court against our Company outside India.

Our Company is incorporated under the laws of India. A majority of our Company's assets are located in India and all of our Company's Directors, Key Managerial Personnel and Senior Management are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, United Arab Emirates, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. Further, there may be considerable delays in the disposal of suits by Indian courts.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

52. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, India has witnessed local civil disturbances in recent years, in particular communal violence across ethnic or communal lines involving conflicts, riots and other forms of violence between communities of different religious faith or ethnic origins, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

53. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control which may have an adverse effect on our business and result of operations.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions
- prevailing income conditions among Indian customers and Indian corporations
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, cash flows, results of operations and financial condition and the price of the Equity Shares.

54. If inflation were to rise in India, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future.

India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

55. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The foreign investment in our Company is governed by, inter alia, the FEMA, as amended, the FEMA Regulations, the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") effective from October 15, 2020, issued and amended by way of press notes. Under the FDI Policy, subject to compliance with PSARA, our Company is permitted to have FDI up to 74% wherein FDI up to 49% is permitted under the automatic route and beyond 49% and up to 74% is permitted under the government route. Foreign investment in our Company, will be subject to the conditions specified in the FDI Policy. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 397. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, results of operations, financial condition and cash flows.

56. The Indian tax regime is currently undergoing substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Our business, cash flows, results of operations and financial condition could be adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("**DDT**") will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017 and all subsequent changes and amendments thereto.

Further, the Government of India has now enacted the Finance Act 2023. We cannot predict whether any amendments made pursuant to the Finance Act 2023 would have an adverse effect on our business, financial condition, future cash flows and results of operations. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

57. Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to investors' assessment of our financial condition.

We have, in this Draft Red Herring Prospectus, included the Restated Consolidated Financial Information which have been derived from our audited consolidated financial statements as on and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Consolidated Financial Information, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

Risks Related to the Equity Shares

58. Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("**ASM**") and Graded Surveillance Measures ("**GSM**") by the Stock Exchanges and the Securities and Exchange Board of India. These measures have been introduced to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is subject to GSM when the share price is not commensurate with the financial health and fundamentals of the company. Specific parameters for GSM include net worth, net fixed assets, PE, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

59. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and audited / unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, cash flows, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

60. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Lead Manager is below the respective issue price.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by the Company and the Promoter Selling Shareholder, in consultation with the Lead Manager, through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for the Offer Price*" on page 111 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Lead Manager may be below their respective issue price. The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operation, the performance of our competitors, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have an adverse effect on the market price of the Equity Shares We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

61. An investment in the Equity Shares is subject to general risks related to investments in Indian companies.

Our Company is incorporated in India and a majority of our assets and employees are located in India. Consequently, our business, cash flows, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

62. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, we may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

Additionally, the Finance Act 2020 does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Furthermore, the Government of India has announced the Union Budget for Fiscal 2024, pursuant to which the Finance Bill, 2023, introduced various amendments to taxation laws in India. The Finance Bill received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act 2023 will have an adverse effect on our business, financial condition and results of operations.

63. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions due to which they may have difficulty in asserting their rights as a shareholder.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

64. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of major claims or proceedings against us;
- developments relating to our peer companies in our industry;
- new laws and governmental regulations applicable to our industry;
- additions or departures of Key Managerial Personnel and Senior Management;
- speculative trading in the Equity Shares;
- outbreaks of new pandemics or epidemics;
- the public's reaction to our press releases and adverse media reports;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment.

65. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results. Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, cash flows, results of operations and financial condition.

66. Investors may not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could also be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

67. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 84, we cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

68. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. 'Foreign Account Tax Compliance Act' (or "**FATCA**") imposes a new reporting regime and potentially imposes a 30% withholding tax on certain 'foreign passthru payments' made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered 'foreign passthru payments'. Under current guidance, the term 'foreign passthru payment' is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered 'foreign passthru payments'. The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address 'foreign passthru payments' and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as 'foreign passthru payments'. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

69. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be diluted.

70. Qualified Institutional Buyers and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Bidders are not permitted to withdraw their Bids after the Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III: INTRODUCTION

THE OFFER

The details of the Offer are summarized below.

Offer of Equity Shares of face value of ₹10 each(1)	Up to [●] Equity Shares aggregating to up to ₹ [●] million
The Offer consists of:	
Fresh Issue(1)	Up to [●] Equity Shares aggregating to up to ₹ 1,750 million
Offer for Sale (2)	Up to 1,750,000 Equity Shares aggregating to up to ₹ [●] million
Of which	
QIB Portion (4)(5)	Not more than [●] Equity Shares
Of which	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which	
- Mutual Fund Portion	[●] Equity Shares
- Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion(5)	Not less than [●] Equity Shares
Of which	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares
Retail Portion(5)(6)	Not less than [●] Equity Shares
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	11,524,400 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds by our Company	For details of the use of proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 98.

(1) Our Board has authorized the Offer, pursuant to their resolution dated September 15, 2023. Our Shareholders have authorized the Offer pursuant to a special resolution dated September 18, 2023. Our Company may, in consultation with the Lead Manager consider a Pre-IPO Placement, aggregating up to ₹150 million prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken at the discretion of our Company and the price of the Equity Shares allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the Lead Manager. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

(2) Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated September 27, 2023. The Promoter Selling Shareholder specifically confirms that the Offered Shares are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations. The Promoter Selling Shareholder has authorised and consented to participate in the Offer for Sale as set out below:

S. No.	Name of the Promoter Selling Shareholder	Date of resolution by board of the Promoter Selling Shareholder	Consent Letter	Maximum number of Equity Shares offered for sale
1.	Krystal Family Holdings Private Limited	September 26, 2023	September 27, 2023	Up to 1,750,000 Equity Shares aggregating ₹ [●] million

(3) Our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for any Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-

Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 376.

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the Lead Manager and the Designated Stock Exchange, on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

(5) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use the UPI Mechanism. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

Allocation to Bidders in all categories, except the Retail Portion, the Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 373, 367 and 376, respectively.

The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the SEBI ICDR Regulations.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 250 and 309, respectively.

[*The remainder of this page is intentionally left blank*]

RESTATED SUMMARY CONSOLIDATED BALANCE SHEET DATA

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(all amounts in ₹ million, unless otherwise stated)		
Assets			
Non-Current Assets			
Property, plant and equipment	782.18	94.71	98.30
Capital work-in-progress	-	600.06	600.06
Right-of-use assets	23.33	14.41	29.93
Intangible assets	0.91	1.33	1.43
Financial assets			
(a) Investments	28.94	18.54	14.69
(b) Other financial assets	399.69	218.96	59.34
Deferred Tax assets (net)	74.50	56.00	80.23
Income tax assets (net)	69.86	71.08	52.34
Other non-current assets	-	80.56	-
Total Non-Current Assets	**1,379.41**	**1,155.65**	**936.33**
Current Assets			
Inventories	6.11	58.81	22.43
Financial Assets			
(a) Trade receivables	1,496.10	2,411.60	2,002.43
(b) Cash and cash equivalents	93.71	4.90	14.55
(c) Bank Balances other than cash and cash equivalents above	97.94	228.75	218.17
(d) Loans	251.51	18.02	16.94
(e) Other financial assets	40.96	24.49	52.96
Income tax assets (net)	15.64	63.57	35.76
Other current assets	53.30	78.06	85.11
Total Current Assets	**2,055.27**	**2,888.20**	**2,448.37**
Total Assets	**3,434.68**	**4,043.85**	**3,384.70**
Equity and Liabilities			
Equity			
Equity share capital	57.62	57.62	57.62
Other equity	1,576.50	1,580.93	1,303.13
Total Equity	**1,634.12**	**1,638.55**	**1,360.75**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(a) Borrowings	197.54	288.17	269.32
(b) Lease liabilities	16.45	4.37	15.09
Provisions	2.67	2.29	2.40
Total Non-Current Liabilities	**216.66**	**294.83**	**286.81**
Current Liabilities			
Financial Liabilities			
(a) Borrowings	282.38	437.34	383.79
(b) Lease liabilities	9.01	9.71	13.43
(c) Trade payables:			
a) total outstanding dues of micro enterprises and small enterprises	0.56	4.89	6.70
b) total outstanding dues of creditors other than micro enterprises and small enterprises	157.93	510.08	372.66
(d) Other financial liabilities	555.08	597.92	567.59
Other current liabilities	450.28	437.34	294.22
Provisions	128.66	113.19	98.74
Total current liabilities	**1,583.90**	**2,110.47**	**1,737.14**
Total Liabilities	**1,800.56**	**2,405.30**	**2,023.95**
Total Equity and Liabilities	**3,434.68**	**4,043.85**	**3,384.70**

RESTATED SUMMARY CONSOLIDATED PROFIT AND LOSS DATA

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
	(all amounts in ₹ million, unless otherwise stated)		
Income			
Revenue from operations	7,076.36	5,526.76	4,712.89
Other income	33.29	21.81	30.20
Total Income (I)	**7,109.65**	**5,548.57**	**4,743.09**
Expenses			
Cost of material and store and spare consumed	323.04	242.26	202.30
Employee benefit expense	5,919.04	4,713.28	3,998.55
Finance costs	94.92	87.78	90.60
Depreciation and amortisation expense	46.57	42.95	46.90
Other expenses	335.93	191.24	310.52
Total Expenses (II)	**6,719.49**	**5,277.51**	**4,648.87**
Restated profit before exceptional items and tax from continuing operations	390.16	271.06	94.22
Exceptional Items	-	-	-
Restated profit before tax from continuing operations	**390.16**	**271.06**	**94.22**
Tax expense:			
Current tax	72.24	44.66	22.29
Deferred tax	(19.79)	18.05	(24.90)
Total Tax Expenses	**52.45**	**62.71**	**(2.61)**
Restated profit for the year from continuing operation after Taxes	337.71	208.35	96.83
Restated profit from discontinued operation before Taxes	46.42	73.36	97.77
Income tax expenses of discontinued operations	-	20.20	28.11
Restated profit from discontinued operation (after taxes)	**46.42**	**53.16**	**69.66**
Restated profit for the year	**384.13**	**261.51**	**166.49**
Share of profit of joint venture	0.31	1.23	1.75
Restated profit for the year	**384.44**	**262.74**	**168.24**
Restated other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	4.52	21.22	8.37
(ii) Deferred tax relating to items that will not be reclassified to profit or loss	(1.29)	(6.17)	(2.89)
	3.23	**15.05**	**5.48**
Restated total Comprehensive Income for the year	**387.67**	**277.80**	**173.72**
Restated profits attributable to :			
Equity holders of the parent	384.44	262.74	168.24
Non-controlling interests	-	-	-
Restated total profit for the year	**384.44**	**262.74**	**168.24**
Restated other comprehensive income attributable to:			
Equity holders of the parent	3.23	15.05	5.48
Non-controlling interests	-	-	-
Restated total of other comprehensive income for the year	**3.23**	**15.05**	**5.48**
Restated total comprehensive income attributable to:			
Equity holders of the parent	387.67	277.80	173.72
Non-controlling interests	-	-	-
Restated total comprehensive income for the year	**387.67**	**277.80**	**173.72**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Restated earnings per equity share (nominal value ₹ 10/- per share)			
Attributable to Equity holders of the parent:			
(a) Basic (in ₹)	33.33	22.69	14.45
(b) Diluted (in ₹)	33.33	22.69	14.45

RESTATED SUMMARY CONSOLIDATED CASH FLOWS DATA

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
	(all amounts in ₹ million, unless otherwise stated)		
Cash flows from operating activities			
Profit before tax from Continuing Operation	390.47	272.30	95.99
Profit before tax from Discontinuing Operation	46.42	73.36	97.77
Net profit before tax	**436.89**	**345.66**	**193.76**
Depreciation and amortisation	46.57	42.95	46.90
Finance costs	94.92	87.78	90.60
Interest income	(20.77)	(16.71)	(19.42)
Balance Written off	0.03	3.38	25.47
Allowance for expected credit loss	1.23	3.52	99.32
Balance Write Back	(11.50)	(5.57)	(10.55)
Gain / (Loss) on fair valuation of investments	0.00	(0.00)	(0.01)
(Profit) / loss on sale of Assets	-	(0.07)	3.19
Operating Profit before change in working capital	**547.38**	**460.95**	**429.27**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(12.02)	(36.38)	(0.71)
Trade receivables, loans, other financial assets and other assets	368.65	(416.07)	(295.91)
Financial and Other Asset	(61.21)	(47.45)	31.92
Trade payables, other financial liabilities, other liabilities and provisions	(122.25)	314.62	(35.87)
Provisions	15.84	14.36	26.75
Changes in working capital	**189.01**	**(170.92)**	**(273.82)**
Less: Tax paid	(18.57)	(90.18)	(75.88)
Add: Refund	-	-	-
Cash flows from operating activities	**717.81**	**199.86**	**79.58**
Cash flows from investing activities			
(Purchase) / sales of property, plant and equipments	(36.32)	(103.56)	45.04
Bank deposits (having original maturity of more than 3 years) (net)	(60.64)	(87.22)	117.10
Loan (given) / repaid - related parties and others (net)	(233.49)	(1.07)	(1.70)
(Purchase) / Sales of Investment	(10.41)	(3.78)	(3.80)
Interest received	20.77	16.71	19.42
Cash flows from investing activities	**(320.09)**	**(178.91)**	**176.07**
Cash flows from financing activities			
Proceeds from/(repayments of) Long-term Borrowings	(44.61)	18.84	(21.06)
Proceeds from/(repayments of) Short-term borrowings	(154.96)	53.55	(142.67)
Payment of lease liabilities	(16.93)	(17.58)	(15.67)
Interest payment	(92.42)	(85.40)	(88.32)
Cash flows from financing activities	**(308.92)**	**(30.59)**	**(267.72)**
Net changes in cash and cash equivalents	**88.81**	**(9.64)**	**(12.08)**
Cash and cash equivalents as at the beginning of the year (refer note 12)	4.90	14.55	26.63
Cash and cash equivalents as at the end of the year	**93.71**	**4.90**	**14.55**
Components of cash and cash equivalents			
Cash on hand	1.20	1.10	1.07
Balances with banks	92.51	3.80	13.48
Cash and cash equivalents as per standalone statement of cash flows	**93.71**	**4.90**	**14.55**

GENERAL INFORMATION

Our Company was incorporated as 'Sea King Enterprises Private Limited' at Mumbai as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated December 1, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). The name of our Company was changed to 'Krystal Tradecom Private Limited' and a fresh certificate of incorporation dated February 6, 2001 was issued by the RoC. Subsequently, our Company diversified its activities, and the name of our Company was changed from 'Krystal Tradecom Private Limited' to 'Krystal Integrated Services Private Limited', and a fresh certificate of incorporation dated May 19, 2009 was issued by the RoC. Pursuant to a resolution of our Board dated June 30, 2023 and a resolution of our shareholders dated July 4, 2023, our Company was converted into a public limited company under the Companies Act, and consequently, the name of our Company was changed to 'Krystal Integrated Services Limited', and a fresh certificate of incorporation dated August 4, 2023 was issued by the RoC.

Registered Office of our Company

Krystal Integrated Services Limited
Krystal House 15A 17
Shivaji Fort CHS
Duncans Causeway Road
Mumbai – 400 022
Maharashtra, India
CIN: U74920MH2000PLC129827
Registration Number: 129827

For details of changes to our registered office, see "*History and Certain Corporate Matters*" on page 208.

Corporate Office of our Company

Krystal Integrated Services Limited
20th Floor,
Kohinoor Square, Shivaji Park,
Dadar, Mumbai – 400028,
Maharashtra, India

Address of the RoC

Our Company is registered with the RoC, situated at the address disclosed below:

Registrar of Companies, Maharashtra at Mumbai
100, Everest,
Marine Drive
Mumbai – 400002
Maharashtra, India

Board of Directors

As of the date of this Draft Red Herring Prospectus, the composition of our Board is as disclosed below:

Name	Designation	DIN	Address
Neeta Prasad Lad	Chairperson and Managing Director	01122234	Atharva Plot No. 61, Bhaudaji Road, Near Indian Gymkhana, Matunga, Mumbai, Maharashtra, India, 400 019
Pravin Ramesh Lad	Whole-time Director	01710743	10/22, Rakhangi Mahal, Acharay Donde Marg, Parel, Mumbai, Maharashtra, India, 400 012
Sanjay Suryakant Dighe	Chief Executive Officer and Whole-time Director	02042603	Flat no. 102 A-2 Juee Nandanvan, Pimple, Nilakh, Pune, Maharashtra, India, 411 027
Saily Prasad Lad	Whole-time Director	05336504	Atharva Plot No. 61, Bhaudaji Road, Opp. Indian Gymkhana, Matunga,

Name	Designation	DIN	Address
			Mumbai, Maharashtra, India, 400 019
Shubham Prasad Lad	Whole-time Director	07557584	Atharva Plot No. 61, Bhaudaji Road, Near Indian Gymkhana, Matunga, Mumbai, Maharashtra, India, 400 019
Vijay Kumar Agarwal	Independent Director	00058548	A 93 Kalpataru Solitaire, N S Road No 5 JVPD, Mumbai, Mumbai Surburban, Maharashtra, 400 049
Sunder Ram Govind Raghavan Korivi	Independent Director	01590692	B-101, Satyam Heritage, Brahma Kumaris Marg, Near Vijay Park, Mira Road East, Thane, Maharashtra, India, 401 107
Dr. Yajyoti Digvijay Singh	Independent Director	07971678	Bunglow No T-9, Dorabjee Paradise, Next to Vibgyor School, Mohammadwadi, Pune, Maharashtra, India, 411 060
Lt. Colonel Kaninika Thakur	Independent Director	10269540	1406, T 10, L&T Emerald Isle, Saki Vihar Road, Powai, Maharashtra, India, 400 072
Dhanya Pattahil	Independent Director	00130569	Kongattil House, Chirakkal Temple Road, Annakara, Mullasery, NA, Thrissur, Kerala, India, 680 508

For further details of our Board, see "*Our Management*" on page 216.

Company Secretary and Compliance Officer

Stuti Maru
Company Secretary and Compliance Officer
20th Floor,
Kohinoor Square, Shivaji Park,
Dadar, Mumbai – 400028,
Maharashtra, India
Tel: +91 22 47471234
E-mail: company.secretary@krystal-group.com

Filing of this Draft Red Herring Prospectus

A soft copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to *"Easing of Operational Procedure – Division of Issues and Listing – CFD"*.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Lead Manager

Inga Ventures Private Limited
1229, Hubtown Solaris, N.S. Phadke Marg,
Opp. Telli Galli, Andheri (East),
Mumbai 400 069
Maharashtra, India
Tel: +91 22 6854 0808
E-mail: krystal.ipo@ingaventures.com
Website: www.ingaventures.com
Investor Grievance ID: investors@ingaventures.com

Contact Person: Kavita Shah
SEBI Registration No: INM000012698

Syndicate Members

[●]

Legal Counsel to the Company and BRLMs as to Indian Law

IndusLaw
1502B, 15th Floor, Tower – 1C,
One World Centre, Senapati Bapat Marg,
Lower Parel, Mumbai – 400013
Maharashtra, India
Tel: 22 4920 7200

Statutory Auditors of our Company

T R Chadha & Co LLP
E 2001-02, 20th Floor, Lotus Corporate Park,
Off. Western Express Highway
Ram Mandir Station Road,
Goregaon East, Mumbai 400063
Tel: +91 22 49669000
E-mail: mumbai@trchadha.com
Firm Registration No.: 006711N / N500028
Peer Review No.: 014544

There has been no change in our auditors in the last three years preceding the date of this Draft Red Herring Prospectus.

Chartered Engineer

Umang A Patel, Vastukala Consultants Private Limited
Umang Ashwin Patel, Vastukala Consultants Private Limited
Behind Chirag Nagar Police Station, Near Sai Mandir
Room No. 4, Yashoda Niwas,
Parshiwadi, L.B.S Marg, Ghatkopar West
Mumbai-400 086.
Tel: +91 022 28371325
E-mail: umang@vastukala.org
Registration no.: AM1810947

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083, Maharashtra, India
Tel: +91 8108114949, +91 22 4918 6200
E-mail: krystalintegrated.ipo@linkintime.co.in
Investor grievance e-mail: krystalintegrated.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

Union Bank of India
Mumbai-Wadala Branch, Mumbai - 400031
Tel: +91 9082165303
Contact person: Satendra Kumar
Website: www.unionbankofindia.co.in
E-mail: ubin0901067@unionbankofindia.bank

Designated Intermediaries

SCSBs and mobile applications enabled for UPI Mechanism

The banks registered with the SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through the UPI Mechanism in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the Members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www1.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

CDPs

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a credit rating agency registered with SEBI as the monitoring agency to monitor the utilization of the Net Proceeds prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus.

Appraising Agency

The objects of the Offer for which the Net Proceeds will be utilized have not been appraised by any agency.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 27, 2023 from T R Chadha & Co LLP, Statutory Auditors, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2023 on our Restated Consolidated Financial Information; and (ii) their report dated September 27, 2023 on the statement of special tax benefits available to our Company and its shareholders, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Additionally, our Company has also received (i) a consent dated September 27, 2023 from Maheshwari & Co., Chartered Accountants in its capacity as an independent chartered accountant; and (ii) a consent dated September 16, 2023 from Umang A Patel, Vastukala Consultants Private Limited in their capacity as Chartered Engineer in connection with the purchase of new machinery in connection with Objects of the Offer, to include their respective names in this Draft Red Herring Prospectus as required under the Companies Act 2013 and as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act 2013.

Statement of responsibilities of the Lead Manager

Inga Ventures Private Limited is the sole Lead Manager to the Offer, and accordingly, there is no inter-se allocation of responsibilities in the Offer. The details of responsibilities of the Lead Manager are as follows:

S. No.	Activity
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations /management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.
2.	Drafting and approval of all statutory advertisement.
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.
4.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including coordination of all agreements to be entered into with such intermediaries.
5.	Preparation of road-show presentation and frequently asked questions.
6.	Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of institutional investors for meetings; and Finalizing road show and investor meeting schedule.
7.	Non-institutional marketing of the Offer and retail marketing of the Offer, which will cover, *inter alia*: • Formulating marketing strategies for non-institutional and retail investors; • Finalising media, marketing and public relations strategy and preparation of publicity budget; • Finalising collection centres; • Finalising centres for holding conferences for brokers etc. • Coordinating for distribution of publicity and Offer material including application form, RHP / Prospectus and deciding on quantum of Offer materials • Finalizing commission structure; • Arranging for selection of underwriters and underwriting agreement.
8.	Coordination with Stock Exchanges, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange, anchor coordination, anchor CAN and intimation of anchor allocation.
9.	Managing the book and finalization of pricing in consultation with the Company.
10.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the selling shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.

S. No.	Activity
	Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.

Book Building Process

Book building process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager and if not disclosed in the Red Herring Prospectus, shall be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, [●] edition of [●], the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra, where our Registered Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" on page 376.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. Provided that, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism.

Non-institutional Bidders shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents, Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Promoter Selling Shareholder has confirmed that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to it, in relation to its portion of the Offered Shares. In this regard, our Company and the Promoter Selling Shareholder have appointed the Lead Manager to manage this Offer and procure Bids for this Offer.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 373 and 376, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 376.

Underwriting Agreement

Prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and the Promoter Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer.

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below:

(This portion has been intentionally left blank and will be filled in before the Red Herrin Prospectus or the Prospectus, as applicable) is filed with the RoC)

Name, Address, Telephone Number and E-mail Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ million)
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and will be finalised after determination of the Offer Price, Basis of Allotment and will be subject to the provisions of Regulation 40(3) of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity Shares allocated to Bidders procured by them in accordance with the Underwriting Agreement.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment disclosed in the table above. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(In ₹ except share data)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	15,000,000 Equity Shares	150,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	11,524,400 Equity Shares	115,244,000	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares aggregating up to ₹ [●] million(1)(2)	[●]	[●]
	Comprising		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million (1)	[●]	1,750,000,000
	Offer for Sale of up to 1,750,000 Equity Shares aggregating up to ₹ [●] million (2)	17,500,000	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares*	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		80,00,000
	After the Offer*		[●]

* *To be updated upon finalization of the Offer Price and subject to the Basis of Allotment.*

(1) *The Offer has been authorized by a resolution of our Board dated September 15, 2023, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated September 18, 2023. Our Company, in consultation with the Lead Manager, may consider a Pre-IPO Placement, aggregating up to ₹ 150 million prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken at the discretion of our Company and the price of the Equity Shares allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the Lead Manager. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

(2) *Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated September 27, 2023. The Promoter Selling Shareholder specifically confirms that the Offered Shares are eligible to be offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorization of the Promoter Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 358.*

For details of changes to our Company's authorized share capital in the last 10 years, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 209.

Notes to the Capital Structure

1. **Equity share capital history of our Company**

(a) The following table sets forth the history of the equity share capital of our Company:

Date of allotment	Name of allottees	Nature of allotment	No. of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares
December 6, 2000	Allotment of 100 Equity Shares each to Prasad Minesh Lad and Abhijeet Avareskar	Initial subscription to our Memorandum of Association	200	10	10	Cash	200
December 9, 2002	Allotment of 11,500 Equity Shares each to Neeta Prasad Lad and Shweta	Further issue	48,000	10	10	Cash	48,200

Date of allotment	Name of allottees	Nature of allotment	No. of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares
	Avarsekar and 25,000 Equity Shares to Chetan Champaklal Desai						
October 22, 2007	Allotment of 50,000 Equity Shares to Chetan Champaklal Desai	Further issue	50,000	10	10	Cash	98,200
September 30, 2008	Allotment of 1,232,000 Equity Shares to Prasad Minesh Lad and 732,000 Equity Shares to Neeta Prasad Lad	Bonus issue in the ratio of 20 Equity Shares for every one Equity Share held.	1,964,000	10	-	-	2,062,200
November 1, 2008	Allotment of 1,750,000 Equity Shares to Prasad Minesh Lad and 1,250,000 Equity Shares to Neeta Prasad Lad	Further issue	3,000,000	10	10	Cash	5,062,200
October 1, 2009	Allotment of 250,000 Equity Shares each to Prasad Minesh Lad and Neeta Prasad Lad	Rights issue	500,000	10	10	Cash	5,562,200
October 1, 2009	Allotment of 50,000 Equity Shares each to Radiant Merchandise Private Limited, Galore Supplies Private Limited, Tristar Agencies Private Limited and Elegance Trade & Holdings Private Limited	Further issue	200,000	10	50	Cash	5,762,200
September 27, 2023	Allotment of 5,762,194 Equity Shares of Krystal Family Holdings Private Limited, 1 Equity Share each to Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad, Sanjay Suryakant Dighe, Pravin Ramesh Lad and Amit Kamlakar Pawar	Bonus issue in the ratio one Equity Share for every one Equity Share held	5,762,200	10	-	-	11,524,400

(b) ***History of preference share capital of our Company***

Our Company has not issued any preference share capital in the past**.**

(c) ***Equity Shares issued for consideration other than cash, bonus issues or out of revaluation reserves***

Except as disclosed above in the table '*Equity share capital history of our Company*' above, our Company has not issued any Equity Shares for consideration other than cash or bonus issues, or out of revaluation reserves since its incorporation.

(d) ***Equity Shares allotted in terms of any schemes of arrangement***

Our Company has not allotted any Equity Shares in terms of any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-232 of the Companies Act, 2013.

(e) ***Equity Shares allotted at a price lower than the Offer Price in the last year***

The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, after the Bid / Offer Closing Date. Other than the allotment of Equity Shares on September 27, 2023 pursuant to a bonus issue, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

[*Remainder page intentionally left blank*]

2. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Share-holding as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights: Class eg: Equity Shares	Class eg: Others	Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
(A)	Promoter and Promoter Group	4	11,524,394	-	-	11,524,394	**99.99**	11,524,394	-	**99.99**	**99.99**	-	-	-	-	-	-	11,524,394
(B)	Public	3	6	-	-	6	**Negligible**	6	-	**Negligible**	**Negligible**	-	-	-	-	-	-	6
	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**7**	**11,524,400**	**-**	**-**	**11,524,400**	**100**	**11,524,400**	**-**	**11,524,400**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**11,524,400**

^With respect to the allotment of Equity Shares dated September 27, 2023 pursuant to a bonus issuance, while our Company has filed the return of allotment with the RoC, the corporate action for credit of Equity Shares to the demat accounts of the respective allottees is currently pending and will be completed in due course.

3. **Major Shareholders**

The list of our major Shareholders and the number of equity shares held by them is provided below:

a) The details of our Shareholders holding 1% or more of the paid-up equity share capital of our Company as on the date of filing this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	% of the share capital
1.	Krystal Family Holdings Private Limited	11,524,388	99.99
	Total	**11,524,388**	**99.99**

Notes:

(1) *Details as on September 27, 2023, being the date of this Draft Red Herring Prospectus.*

(2) *With respect to the allotment of Equity Shares dated September 27, 2023 pursuant to a bonus issuance, while our Company has filed the return of allotment with the RoC, the corporate action for credit of Equity Shares to the demat accounts of the respective allottees is currently pending and will be completed in due course.*

b) The details of our Shareholders who held 1% or more of the paid-up equity share capital of our Company ten days prior to the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	% of the share capital
1.	Krystal Family Holdings Private Limited	5,762,195	99.99
	Total	5,762,195	**99.99**

Note: *Details as on September 17, 2023, being the date ten days prior to the date of this Draft Red Herring Prospectus.*

c) The details of our Shareholders who held 1% or more of the paid-up equity share capital of our Company one year prior to the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	% of the share capital
1.	Krystal Family Holdings Private Limited	5,762,199	99.99
	Total	**5,762,199**	**99.99**

Note: *Details as on September 27, 2022, being the date one year prior to the date of this Draft Red Herring Prospectus.*

d) The details of our Shareholders who held 1% or more of the paid-up equity share capital of our Company two years prior to the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	% of the share capital
1.	Krystal Family Holdings Private Limited	5,762,199	99.99
	Total	**5,762,199**	**99.99**

Note: *Details as on September 27, 2021, being the date two years prior to the date of this Draft Red Herring Prospectus.*

4. Except for the allotment of Equity Shares pursuant to the Krystal ESOP Plan, 2023, the Pre-IPO Placement (if applicable), and the Fresh Issue, there will be no further issue of Equity Shares whether by way of a split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or through a rights issue or further public issue of Equity Shares, or otherwise, until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be. Further, other than as set out hereinabove, our Company presently does not intend or propose to alter its capital structure in any manner until a period of six months from the Bid/Offer Opening Date.

5. As on the date of this Draft Red Herring Prospectus, our Company has a total of 7 Shareholders.

6. **Details of shareholding of our Promoters, Selling Shareholder and members of the Promoter Group in the Company**

(i) ***Equity shareholding of the Promoters***

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 11,524,394 Equity Shares, equivalent to 99.99% of the issued, subscribed and paid-up equity share capital of our Company, as set forth in the table below.

S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer equity share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Prasad Minesh Lad	-	-	-	-
2.	Neeta Prasad Lad	2	Negligible	[●]	[●]
3.	Shubham Prasad Lad	2	Negligible	[●]	[●]
4.	Saily Prasad Lad	2	Negligible	[●]	[●]
5.	Krystal Family Holdings Private Limited^	11,524,388	99.99	[●]	[●]
	Total	**11,524,394**	**99.99**	[●]	[●]

** To be included upon finalisation of Offer Price*
^ Also Promoter Selling Shareholder

(ii) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

(iii) ***Build-up of the Promoters' shareholding in our Company***

The build-up of the equity shareholding of our Promoters since the incorporation of our Company is set forth in the table below:

Date of allotment / transfer / transmission	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
(A) Prasad Minesh Lad						
December 6, 2000	Initial subscription to our Memorandum of Association	100	10	10.00	Negligible	**[●]**
January 19, 2006	Transfer from Chetan Champaklal Desai	12,500	10	10.00	0.11	**[●]**
August 1, 2008	Transfer from Chetan Champaklal Desai to Prasad Minesh Lad jointly held with Neeta Prasad Lad(1)	12,500	10	10.00	0.11	[●]
August 1, 2008	Transfer from Chetan Champaklal Desai to Prasad Minesh Lad jointly held with Neeta Prasad Lad(2)	25,000	10	10.00	0.22	[●]
August 1, 2008	Transfer from Neeta Prasad Lad	11,500	10	10.00	0.10	**[●]**
August 20, 2008	Transfer from Prasad Minesh Lad jointly with	(37,500)	10	10.00	(0.33)	**[●]**

Date of allotment / transfer / transmission	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
	Neeta Lad(3) to Prasad Minesh Lad					
August 20, 2008	Transfer from Prasad Minesh Lad jointly with Neeta Lad(4) to Prasad Minesh Lad	37,500	10	10.00	0.33	**[●]**
September 30, 2008	Bonus issue in the ratio 1:20	1,232,000	10	-	10.69	**[●]**
November 1, 2008	Further issue	1,750,000	10	10.00	15.19	**[●]**
October 1, 2009	Rights Issue	2,50,000	10	10.00	2.17	**[●]**
June 14, 2010	Transfer from Prasad Minesh Lad to Prasad Minesh Lad jointly with Neeta Pasad Lad (5)	(3,293,600)	10	10.00	(28.58)	**[●]**
June 14, 2010	Transfer from Prasad Minesh Lad to Prasad Minesh Lad jointly with Neeta Pasad Lad (6)	3,293,600	10	10.00	28.58	**[●]**
October 1, 2014	Transfer from Prasad Minesh Lad jointly with Neeta Prasad Lad(7) to Prasad Minesh Lad	3,293,600	10	10.00	28.58	**[●]**
October 1, 2014	Transfer from Prasad Minesh Lad jointly with Neeta Prasad Lad(8) to Prasad Minesh Lad	(3,293,600)	10	10.00	(28.58)	**[●]**
October 25, 2016	Transfer to Krystal Family Holdings Private Limited	(3,293,599)	10	60.00	(28.58)	**[●]**
October 25, 2016	Transfer from Prasad Minesh Lad to Krystal Family Holdings Private Limited jointly with Prasad Minesh Lad(9)	(1)	10	60.00	Negligible	**[●]**
Sub-total (A)		NIL	-	-	NIL	[●]
(B) Neeta Prasad Lad						
December 9, 2002	Further issue	11,500	10	10.00	0.10	[●]
August 1, 2008	Transfer from Chetan Champaklal Desai to Neeta Prasad Lad jointly with	12,500	10	10.00	0.11	[●]

Date of allotment / transfer / transmission	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
	Prasad Minesh Lad(10)					
August 1, 2008	Transfer from Abhijit Kishore Avarsekar to Neeta Prasad Lad jointly with Prasad Minesh Lad(11)	12,250	10	50.00	0.11	[•]
August 1, 2008	Transfer from Abhijit Kishore Avarsekar to Neeta Prasad Lad jointly with Prasad Minesh Lad(12)	250	10	50.00	Negligible	[•]
August 1, 2008	Transfer from Abhijit Kishore Avarsekar to Neeta Prasad Lad jointly with Prasad Minesh Lad(13)	100	10	50.00	Negligible	[•]
August 1, 2008	Transfer to Prasad Minesh Lad	(11,500)	10	10.00	(0.10)	[•]
August 1, 2008	Transfer from Shweta Avarsekar to Neeta Prasad Lad jointly with Prasad Minesh Lad(14)	11,500	10	50.00	0.10	[•]
August 20, 2008	Transfer from Neeta Prasad Minesh Lad jointly with Prasad Minesh Lad(15) to Neeta Prasad Minesh Lad	(36,600)	10	10.00	(0.32)	[•]
August 20, 2008	Transfer from Neeta Prasad Lad jointly with Prasad Minesh Lad(16) to Neeta Prasad Lad	36,600	10	10.00	0.32	[•]
September 30, 2008	Bonus ratio in the ratio 1:20	732,000	10	-	6.35	[•]
November 1, 2008	Further issue	1,250,000	10	10.00	10.85	[•]
October 1, 2009	Rights Issue	250,000	10	10.00	2.17	[•]
June 14, 2010	Transfer from Neeta Pasad Lad to Neeta Prasad Lad jointly with Prasad Minesh Lad(17)	(2,268,600)	10	10.00	(19.69)	[•]
June 14, 2010	Transfer from Neeta Pasad Lad to Neeta Prasad Lad jointly with	2,268,600	10	10.00	19.69	[•]

Date of allotment / transfer / transmission	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
	Prasad Minesh Lad(18)					
October 1, 2014	Transfer from Neeta Prasad Lad jointly with Prasad Minesh Lad(19) to Neeta Prasad Lad	(2,268,600)	10	10.00	(19.69)	[●]
October 1, 2014	Transfer from Neeta Prasad Lad jointly with Prasad Minesh Lad(20) to Neeta Prasad Lad	2,268,600	10	10.00	19.69	[●]
October 25, 2016	Transfer to Krystal Family Holdings Private Limited	(2,268,600)	10	60.00	(19.69)	[●]
September 25, 2023	Transfer from Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad(21) to Neeta Prasad Lad	1	10	10.00	Negligible	[●]
September 27, 2023	Bonus issue in the ratio one Equity Share for every one Equity Share held	1	10	-	Negligible	[●]
Sub-total (B)		2	-	-	Negligible	[●]
(C) Saily Prasad Lad						
June 28, 2023	Transfer from Krystal Family Holdings Private Limited	1	10	10.00	Negligible	[●]
September 27, 2023	Bonus issue in the ratio one Equity Share for every one Equity Share held	1	10	-	Negligible	[●]
Sub-total (C)		2	-	-	Negligible	[●]
(D) Shubham Prasad Lad						
June 28, 2023	Transfer from Krystal Family Holdings Private Limited	1	10	10.00	Negligible	[●]
September 27, 2023	Bonus issue in the ratio one Equity Share for every one Equity Share held	1	10	-	Negligible	[●]
Sub-total (D)		2	-	-	Negligible	[●]
(E) Krystal Family Holdings Private Limited						
October 25, 2016	Transfer from Neeta Prasad Lad	2,268,600	10	60.00	19.69	[●]
October 25, 2016	Transfer from Prasad Minesh Lad	3,293,599	10	60.00	28.58	[●]

Date of allotment / transfer / transmission	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
October 25, 2016	Transfer from Shubham Cine Vision Private Limited	200,000	10	60.00	1.74	**[●]**
October 25, 2016	Transfer from Prasad Minesh Lad to Krystal Family Holdings Private Limited jointly with Prasad Minesh Lad(22)	1	10	60.00	Negligible	**[●]**
March 16, 2021	Transfer from Krystal Family Holdings Private Limited jointly with Prasad Minesh Lad(23) to Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad(24)	(1)	10	10.00	Negligible	**[●]**
March 16, 2021	Transfer from Krystal Family Holdings Private Limited jointly with Prasad Minesh Lad(25) to Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad(26)	1	10	10.00	Negligible	**[●]**
June 28, 2023	Transfer from Krystal Family Holdings Private Limited to Saily Prasad Lad, Shubham Prasad Lad Suryakant Dighe, Pravin Ramesh Lad and Amit Kamalakar Pawar	(5)	10	10.00	Negligible	**[●]**
September 25, 2023	Transfer from Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad(27) to Neeta Prasad Lad	(1)	10	10.00	Negligible	**[●]**
September 27, 2023	Bonus issue in the ratio one Equity Share for every one Equity Share held	5,762,194	10	-	49.99	**[●]**
Sub-total (E)		**11,524,388**	-	-	**99.99%**	**[●]**
Grand Total (A)+(B)+(C)+(D)+(E)		**11,524,394**	-	-	**99.99%**	**[●]**

[1] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[2] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[3] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[4] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[5] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[6] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[7] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[8] Prasad Minesh Lad held as first holder with second holder being Neeta Prasad Lad.
[9] Krystal Family Holdings Private Limited held as first holder with second holder being Prasad Minesh Lad.
[10] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[11] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[12] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[13] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[14] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[15] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[16] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[17] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[18] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[19] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[20] Neeta Prasad Lad held as first holder with second holder being Prasad Minesh Lad.
[21] Neeta Prasad Lad held as first holder with second holder being Krystal Family Holdings Private Limited.
[22] Krystal Family Holdings Private Limited held as first holder with second holder being Prasad Minesh Lad.
[23] Krystal Family Holdings Private Limited held as first holder with second holder being Prasad Minesh Lad.
[24] Krystal Family Holdings Private Limited held as first holder with second holder being Neeta Prasad Lad.
[25] Krystal Family Holdings Private Limited held as first holder with second holder being Prasad Minesh Lad.
[26] Krystal Family Holdings Private Limited held as first holder with second holder being Neeta Prasad Lad.
[27] Krystal Family Holdings Private Limited held as first holder with second holder being Neeta Prasad Lad.

(iv) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.

(v) As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(vi) As on the date of this Draft Red Herring Prospectus, other than our Promoters, none of the members of our Promoter Group hold Equity Shares of our Company.

(vii) Except as disclosed in the table titled "*Build-up of the Promoters' shareholding in our Company*" above, none of the members of the Promoter Group, the Promoters, the Directors of our Company, nor any of their respective relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus**.**

(viii) There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors, or their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus**.**

7. **Details of lock-in of Equity Shares**

(i) ***Details of Promoter's contribution locked in for 18 months***

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by the Promoters shall be locked in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment. As on the date of this Draft Red Herring Prospectus, our Promoters hold 11,524,394 Equity Shares, constituting 99.99% of our Company's issued, subscribed and paid-up Equity Share capital (on a fully diluted basis), out of which **[●]** Equity Shares, constituting **[●]** % of our Company's issued, subscribed and paid-up equity share capital are eligible for Promoters' Contribution.

Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoters' Contribution are set forth in the table below:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

Name of the Promoter	Date of allotment / acquisition of the Equity Shares*	Nature of transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)**	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	10	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	10	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]

* *All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

** *To be included upon finalisation of Offer Price*

Our Promoters have given consent, to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber, in any manner, the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in as Promoters' Contribution are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(a) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

(b) The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year;

(c) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and

(d) The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

(ii) ***Details of Equity Shares locked-in for six months***

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for 18 months as specified above, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations except for the Equity Shares offered pursuant to the Offer for Sale.

(iii) ***Lock-in of Equity Shares Allotted to Anchor Investors***

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(iv) ***Other requirements in respect of lock-in***

(i) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

(ii) Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares must be one of the terms of the sanction of the loan, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

(iii) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

(iv) Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations as applicable, such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

8. Our Company, the Promoters, the Directors and the Lead Manager have not entered into buyback arrangements and / or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

9. All Equity Shares issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

10. As on the date of this Draft Red Herring Prospectus, the Lead Manager and its associates (as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions or investment management services in respect with our Company for which they may in the future receive customary compensation.

11. Except for Neeta Prasad Lal, Saily Prasad Lad, Shubham Prasad Lad, Sanjay Suryakant Dighe and Pravin Ramesh Lad who hold two Equity Shares each, respectively, none of the other Directors, Key Managerial Personnel or Senior Management of our Company hold any Equity Shares in our Company. For details, see "*Our Management – Shareholding of our Directors in our Company*" on page 223.

12. No person connected with the Offer, including, but not limited to, our Company, the Promoter Selling Shareholder, the members of the Syndicate, our Promoters, the members of our Promoter Group or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

13. None of our Promoters or members of our Promoter Group will participate in the Offer, other than to the extent of the Promoter Selling Shareholder participating in the Offer for Sale in its capacity as a 'selling shareholder'.

14. The Lead Manager or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion,

except for Mutual Funds sponsored by entities which are associates of the BRLM, or insurance companies promoted by entities which are associates of the Lead Manager or alternate investment funds or a FPI (other than individuals, corporate bodies and family offices) or pension funds sponsored by entities which are associates of the Lead Manager.

15. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Red Herring Prospectus.

16. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the Bid/ Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions.

17. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.

18. **Employee Stock Options Scheme of our Company**

    Krystal ESOP Plan, 2023

    As on the date of this Draft Red Herring Prospectus, our Company has an ESOP scheme, namely, the Krystal Integrated Services Limited Employee Stock Option Plan, 2023 ("**Krystal ESOP Plan, 2023**"). Our Company adopted the Krystal ESOP Plan, 2023 pursuant to the resolution passed by our Board on September 6, 2023 and the resolution passed by the Shareholders on September 8, 2023. Under the Krystal ESOP Plan, 2023, up to 5,50,000 options can be granted to employees (as defined in the Krystal ESOP Plan, 2023), in one or more tranches, exercisable into an equal number of Equity Shares of the Company. The Nomination and Remuneration Committee administers the Krystal ESOP Plan, 2023 and is designated by the Company as the compensation committee as envisaged under the SEBI SBEB & SE Regulations.

    The Krystal ESOP Plan, 2023 is in compliance with the SEBI SBEB & SE Regulations. As certified by T R Chadha & Co LLP, Statutory Auditors through their certificate dated September 27, 2023, as on the date of this Draft Red Herring Prospectus, no options have been granted under the Krystal ESOP Plan, 2023.

OBJECTS OF THE OFFER

The Offer comprises a fresh issue of up to [●] Equity Shares, aggregating up to ₹ 1,750 million by our Company and an Offer for Sale of up to 17,50,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholder.

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholder. Our Company will not receive any proceeds from the Offer for Sale and the proceeds from the Offer for Sale will not form part of the Net Proceeds. The Promoter Selling Shareholder will be entitled to the Offer Proceeds, to the extent of the Equity Shares offered by them in the Offer, net of their respective share of the Offer related expenses. For further details of the Offer for Sale, see "*The Offer*" on page 69.

Objects of the Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Repayment/prepayment, in full or part, of certain borrowings availed of by our Company;
2. Funding working capital requirements of our Company;
3. Funding capital expenditure for purchase of new machinery; and
4. General corporate purposes

(collectively, the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us: (i) to undertake our existing business activities and other activities set out therein; and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

In addition to the above-mentioned Objects, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarized in the following table:

Particulars	Amount *(₹ million)*
Gross proceeds of the Fresh Issue [(1)]	1,750.00
(Less) Offer related expenses in relation to the Fresh Issue[(2)]	[●]
Net Proceeds[(3)]	[●]

(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, we may utilize the proceeds from such Pre-IPO Placement towards the Objects prior to completion of the Offer. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. On utilization of proceeds from the Pre-IPO Placement (if undertaken) prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

(2) See "– Offer Expenses" on page 107.

(3) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Amount* *(₹ million)*
Repayment/prepayment, in full or part, of certain borrowings availed of by our Company	100.00

Particulars	Amount* (₹ million)
Funding working capital requirements of our Company	1000.00
Funding capital expenditure for purchase of new machinery	100.00
General corporate purposes#	[●]
Net Proceeds	[●]

** Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilize the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer. If the Pre-IPO Placement is undertaken and after compliance with requirements prescribed under the Companies Act, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

 # To be finalized upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

S. No.	Particulars	Total estimated amount/ expenditure	Amount deployed as on August 31, 2023	Estimated utilization from Net Proceeds	Estimated deployment of Net Proceeds in	
					Financial Year 2024	**Financial Year 2025**
1.	Repayment/prepayment, in full or part, of certain borrowings availed of by our Company	100.00	Nil	100.00	100.00	-
2.	Funding working capital requirements of our Company	1000.00	Nil	1000.00	300.00	700.00
3.	Funding capital expenditure for purchase of new machinery	100.00	Nil	100.00	20.00	80.00
4.	General Corporate purposes*	[●]	Nil	[●]	[●]	[●]
	Total Net Proceeds			[●]	[●]	[●]

** To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Means of finance

The fund requirements for the Objects are proposed to be met from the Net Proceeds and our cash reserves. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing cash reserves as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

Details of the Objects

1. Repayment/prepayment, in full or part, of certain borrowings availed of by our Company

We avail majority of our fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. For further information on the financial indebtedness availed of by our Company, see "*Financial Indebtedness*" beginning on page 306. As of August 31, 2023, we had outstanding total secured and unsecured borrowings (long term and short term) of ₹ 1631.99 million, on a consolidated basis. Our Company proposes to utilize an aggregate amount of ₹ 100.00 million from the Net Proceeds towards repayment/pre-payment, in full or in part, of certain borrowings availed of by our Company. The selection and extent of borrowings proposed to be prepaid and/or repaid by our Company as mentioned below is based on various commercial considerations including, among others, the interest rate of the relevant borrowings, prepayment charges, the amount of the borrowings outstanding, amount and nature of security provided and the remaining tenor of the borrowings. The aggregate amount to be utilized from the Net Proceeds towards prepayment or scheduled repayment of borrowings (including refinanced or additional borrowings availed, if any), in part or full, would not exceed ₹ 100.00 million. The prepayment or scheduled repayment will help us reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt to equity ratio of our Company is intended to enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The following table provides details of outstanding borrowings availed of by our Company as on August 31, 2023, on a consolidated basis, which we propose to prepay or repay, in full or in part, from the Net Proceeds up to an aggregate amount of ₹ 100.00 million:

Name of the Borrower	Name of the lender, nature of the loan	Purpose for which disbursed loan amount was sanctioned and utilized	Principal loan amount sanctioned	Outstanding loan amount as on August 31, 2023 (in ₹ million)	Rate of Interest as of August 31, 2023	Tenor and Repayment Schedule / scheduled repayment date	Prepayment Penalty
Krystal Integrated Services Private Limited	Mumbai District Central Co-op Bank Ltd** (Term loan)	For business purpose and needs#	250.00	131.22	11% p.a.	7 Years	NA

**As certified by T R Chadha & Co LLP, Statutory Auditors pursuant to their certificate dated September 27, 2023.*
*** Mumbai District Central Co-op. Bank Ltd, registered under the Maharashtra Co-Operative Societies Act, 1960, is related party of the Company, for further details please see "Summary of Related Party Transactions" on page 22.*
#An amount of 247.99 million was paid out of the principal amount of the above term loan to reimburse the amount paid by Prasad Minesh Lad and Neeta Prasad Lad for purchase of Corporate Office vide agreements dated June 12, 2014 along with deeds of rectification dated March 29, 2019 and July 04, 2019 on behalf of the Company.

In compliance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Statutory Auditors pursuant to their certificate dated September 27, 2023 have certified the utilization of the above-mentioned borrowings for the purposes such borrowings were availed for, as at August 31, 2023. For further information on the terms and conditions of these financing arrangements, see "*Financial Indebtedness*" beginning on page 306.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Further, our Company may also avail additional borrowings after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans from time to time. Accordingly, in case any of the above loans are pre-paid or further drawn-down prior to the completion of the Offer, we may utilize the Net Proceeds towards scheduled repayment / pre-payment of such additional indebtedness as will be disclosed in the Red Herring Prospectus.

In light of the above, if at the time of filing the Red Herring Prospectus, any of the above mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down and if the terms of new loans are more onerous than the older loans or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹ 100.00 million. Accordingly, the table above shall be suitably revised at the time of filing the Red Herring Prospectus to reflect the revised amounts or loans as the case may be which have been availed by our Company.

Our Company will approach the lenders after completion of this Offer for repayment/prepayment of the above borrowings. Further, we may be subject to the levy of pre-payment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable. Payment of pre-payment penalty or premium, if any, shall be made by our Company from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such pre-payment penalties or premiums, such excessive amount shall be met from our internal accruals.

2. Funding working capital requirements of our Company

Our Company funds a majority of its working capital requirements in the ordinary course of business from financing availed from banks and internal accruals. Our Company proposes to utilise ₹ 300.00 million and ₹ 700.00 from the Net Proceeds towards funding its working capital requirements in Financial Year 2024 and Financial Year 2025, respectively, for meeting our future business requirements. As on August 31, 2023, our total outstanding indebtedness in respect of our working capital facilities was ₹ 1192.16 million. For further details of the working capital facilities currently availed by our Company, see "*Financial Indebtedness*" and "*Financial Information*" on pages 306 and 250, respectively.

Further, for risks in relation to use of the Net Proceeds for funding working capital gap of our Company, see "*Risk Factors – Our business requires significant amounts of working capital. We may not be able to obtain future financing on favourable terms or at all or furnish bank guarantees in the future. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations*" on page 50. Our Board in its meeting dated September 27, 2023 took note that an aggregate amount of ₹ 1000.00 million is proposed to be utilised to fund the working capital requirements of our Company.

Our Company requires additional working capital to fund our future business requirements.

Basis of estimation of incremental working capital gap

Existing working capital

The details of our Company's working capital as of March 31, 2023, March 31, 2022, March 31, 2021 and source of funding, derived from the audited standalone financial statements of our Company, as certified by Maheshwari & Co, Chartered Accountants, through their certificate dated September 27, 2023, are set forth below:

(₹ in million)

S.no.	Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
I.	**Current assets**			
	Trade Receivables	1,452.24	2,360.93	1,976.61
	Cash & Other Bank Balances	97.78	223.40	213.21
	Other financial assets*	30.35	17.83	45.58
	Income tax assets (net)	12.61	60.68	33.83
	Other current assets	45.97	70.03	83.23
	Inventories	4.95	58.41	22.24
	Total current assets (A)	**1,643.90**	**2,791.27**	**2,374.70**
II.	**Current Liabilities**			
	Lease liabilities	6.80	9.71	13.43
	Trade Payables	139.55	479.89	360.66
	Other Financial Liabilities	540.97	585.72	555.55
	Other Current Liabilities	443.45	429.16	289.03
	Current Provisions	127.77	112.71	98.31
	Total current liabilities (B)	**1,258.53**	**1,617.19**	**1,316.98**
III.	**Total working capital requirement (A-B)**	**385.37**	**1,174.08**	**1,057.72**
IV.	**Funding pattern**			
	Short term borrowing	204.77	246.54	306.78
	Internal Accruals / net worth	180.60	927.54	750.94
	Total	**385.37**	**1,174.08**	**1,057.72**

** Other Financial Assets exclude cash and cash equivalents.*

The details of the estimated working capital requirements of our Company for the Financial Years 2024 and 2025 as approved by our Board pursuant to its resolution dated September 27, 2023 are as set out in the table below:

(₹ *in million)*

S. No.	Particulars	As of March 31, 2024	As of March 31, 2025
I.	**Current Assets**		
	Inventories	5.43	6.74
	Trade Receivables	2,417.98	2,958.22
	Cash & Other Bank Balances	110.13	114.69
	Other current assets*	92.25	95.75
	Total current assets (A)	**2,625.79**	**3,175.40**
II.	**Current Liabilities**		
	Trade Payables	108.54	134.82
	Other Current Liabilities**	1,633.67	1,608.69
	Total current liabilities (B)	**1,742.21**	**1,743.51**
III.	**Total working capital requirement (A-B)**	**883.58**	**1,431.89**
IV.	**Funding Pattern**		
	Short term borrowing	204.77	204.77
	IPO Proceeds	300.00	700.00
	Internal Accruals / net worth	378.81	527.12
	Total	**883.58**	**1,431.89**

* *Other current assets include other financial asset, income tax assets and other current assets.*
** *Other current liabilities include lease liabilities, other financial liabilities, current provisions and other current liabilities.*
*** *Certified by Maheshwari & Co, Chartered Accountants, through their certificate dated September 27, 2023.*

Holding levels

The following table sets forth the details of the holding period levels (in days) considered:

Sr. No.	Particulars	Actual			Estimate	
		As of March 31, 2023	As of March 31, 2022	As of March 31, 2021	As of March 31, 2025	As of March 31, 2024
1.	Inventory days	7	103	45	7	7
2.	Trade receivables days	77	160	156	97	97
3.	Cash & Other Bank Balances (except cash equivalents) days	5	15	17	4	4
4.	Other current assets days	5	10	13	3	4
5.	Trade payables days	193	847	722	140	140
6.	Other Current Liabilities days	68	87	85	61	75

* *Certified by Maheshwari & Co, Chartered Accountants, through their certificate dated September 27, 2023,*
Notes:
1. *Inventory days = Closing Balance / Raw Material consumed * 365*
2. *Trade Receivable days = Closing Balance / Revenue from Operations * 365*
3. *Cash & Bank Balances days = Closing Balance / Revenue from Operations * 365*
4. *Other Current Assets days = Closing Balance / Revenue from Operations * 365*
5. *Trade Payable days = Closing Balance / Raw Material consumed * 365*
6. *Other Current Liabilities days = Closing Balance / (Employee cost + Employee cost HO + Other Expenses) * 365*

Key assumptions and justification for Holding Period Levels

Particulars	Assumptions and justifications
Current assets	
Trade Receivables	The major clients of the company are Government clients. Even though the company has an agreement with them for recovery of dues for 60-90 days, there has always been a practice of late payment due to their technical issues eg. Budget release, PO not made, Billing not on time, etc. However, the company has to provide service according to the agreement and hence the agreed days get delayed practically. In Financial Year 2021, COVID adversely affected the business worldwide which was out of the company's control, the receivable days increased to 156 days and it subsequently affected next Financial Year 2022 also which resulted in 160 days. The majority of accumulated receivables were collected in the Financial Year 2023 which brings down receivable days up to 77 days drastically.

Particulars	Assumptions and justifications
	In addition to the above, the company has new contracts with customers which have receivable clauses of 60-90 days. However, the company estimated 97 days due to practical issues with the government clients mentioned above. Hence, the company projected 97 days as Trade Receivable days for Financial Years 2024 & 2025.
Other current assets	The category of "Other current assets" primarily includes balances such as, security deposit, advance to suppliers, balances with statutory authorities, and other similar items. To align with the projected business activity, the company has projected the level of other current assets as of four days for the Financial Year 2024 and three days for Financial Year 2025
Inventories	The Company's inventory holding period for Financial Year 2024 & Financial Year 2025 is in line with the holding period for Financial Year 2023 (figures of Financial Year 2021 & Financial Year 2022 are not considered for comparison since COVID adversely affected the business worldwide which was out of the companies control) and has been projected as seven days.
Cash and Bank balances	The Company's cash and bank balances days projected for Financial Year 2024 & 2025 are in the range of three - four days which is in the line of Financial Year 2023 having five days. We are not comparing figures of Financial Year 2021 & Financial Year 2022 and the reason is the same as mentioned for assumption for trade receivable days
Current liabilities	
Trade Payables	The Company's trade payable days for Financial Year 2024 and Financial Year 2024 are in line with the Financial Year 2023 (figures of 2021 & 2022 are not considered for comparison since COVID adversely affected the business worldwide which was out of our control) and has been projected at 140 days for the Financial Years 2024 and 2025.
Other Current Liabilities	The category of "Other current liabilities" primarily includes items such as wages payable, provision for employee benefits, statutory payments dues, advances from customers, tax expenses, and other similar obligations. To align with the projected business activity, the company has projected the level of other current liabilities within the range of 61-75 days for the Financial Years 2024 and 2025

* *Certified by Maheshwari & Co, Chartered Accountants, through their certificate dated September 27, 2023,*

Pursuant to a certificate dated September 27, 2023, Maheshwari & Co., Chartered Accountants have certified the working capital requirements and working capital estimates of our Company, as approved by the Board pursuant to its resolution dated September 27, 2023. See "*Material Contracts and Documents for Inspection – Material Documents*" on page 407.

3. Funding capital expenditure for purchase of new machinery

Our Company proposes to purchase new machinery with the objective of improving the quality and efficiency of our deliverables to our customers. The proposed capital expenditure for purchase of new machinery is expected to have a positive impact on our ability to compete in the market. It will enhance our capabilities for bidding on new projects and provide us with a distinct competitive advantage. Our ROE in Fiscal 2021, 2022 and 2023 was 13.18%, 17.37% and 23.18%, respectively, and ROCE in the same periods was 19.01%, 25.03% and 28.82%, respectively. We intend to continue to focus on improving our operational efficiency to improve returns, including by increased technology integration in our business. Furthermore, the integration of these new machines into our operations will streamline our business processes, making them more efficient and effective. For further details, see "*Our Business – Our Business Strategies*" on page 190. We propose to utilise an estimated amount of ₹ 100.00 million from the Net Proceeds towards purchase of new machinery which is proposed to be undertaken from the Net Proceeds of the Fresh Issue.

We will incur expenditure towards machinery including (i) scrubbers such as floor, industrial, walk behind scrubbers; (ii) vacuum cleaner; (iii) high pressure jet; (iv) telescopic pole; and (v) mop wringer trolley. Our Company has identified the machinery to be purchased and obtained quotations from respective vendors. The details and total estimated cost towards purchasing machinery for the capital expenditure are set forth in the table below:

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Estimated Cost

The table below sets forth the break-up of the total estimated costs for the purchase of equipment:

S. No.	Description of the machine	Quantity	Cost per unit (₹)	Total estimated costs (₹)
1	CRBR 180 ride on scrubber, battery operated (traction battery) scrubbing width 750 mm, 33 l/sec	5	4,95,000	24,75,000
2	CRBR 150 ride on sweeper battery operated 24v, 24/240vah, lead acid batteries, deep cycle, scrubbing width 800 mm, no of brushes 2 nos.	5	5,50,000	27,50,000
3	CRSD 1500 E scrubber drier (cable operated), electrically operated 230/50 hz supply, scrubbing width 450 mm, 1087 mm H 20	350	1,50,000	5,25,00,000
4	CRSD 1400E scrubber drier 230v, single phase, scrubbing width 450 mm, width suction 750 mm 780 mm, electrical 230 va, 50 hz, brushes, 1 no.	10	1,67,000	16,70,000
5	CRSD 1200E scrubber drier (blue), scrubbing width 450 mm, suction 750 mm, 230v /50 hz supply, brushes 1 no.	10	1,00,000	10,00,000
6	CRSD 550E mini auto scrubber drier 500 mm width, suction width 780 mm, electrical 230 v a.c, 50 hz, brushes 1 no.	10	1,10,000	11,00,000
7	CRV 30-C Ltrs stainless steel wet and dry vacuum cleaner red single stage brushless motor, 230 v/ 50 hz supply, water tank 26 Ltrs.	25	10,000	2,50,000
8	CRV 60- Ltrs stainless steel wet &dry vacuum cleaner (2 motor)	300	30,000	90,00,000
9	CRV 60- ltr stainless steel wet &dry vacuum cleaner (3 motor) red, 60 Ltrs, single stage motor, brushless, heap filter 5 microns, 230 v/ 50 hz supply 10	10	35,000	3,50,000
10	Manual sweeper (with heap filter), double brushes, belt, hard wheels, 700 mm sweeping width, powder coated handle	300	20,000	60,00,000
11	CRHP -150 bar high pressure washer 230 v / 50 hz supply, brass pump kit, water filter, motor 3000 w, 12 Ltrs / min	20	32,000	6,40,000
12	CRPH -120-160- bar without stand compact powerful pressure, 13 ipm, 230 v/ 40 hz, multiple nozzles, silicon piston to sustain higher operating temperature	250	50,000	1,25,00,000
13	CBR 1100 backpack vacuum cleaner less than 5 microns, only dry and compact brushless motors, 230 v 50 hz	250	27,000	67,50,000
14	CRS 1100 multifunction, floor scrubbing machine, 230 v / 50 hz, single disc	200	48,000	96,00,000
15	Telescopic Pole-2 level- 2.4 m	40	1550	62,000
16	Telescopic Pole-2 level-3 m	40	1,850	74,000
17	Telescopic Pole-3 level-4 m	40	2,200	88,000
18	Telescopic Pole-3 level-6 m	40	2,500	1,00,000

S. No.	Description of the machine	Quantity	Cost per unit (₹)	Total estimated costs (₹)
19	Telescopic Pole-3 level-9 m	40	3,000	1,20,000
20	Glass Cleaning Kit	40	2,500	1,00,000
21	Double Mop Wringer Trolley-34 Ltrs	40	4,500	1,80,000
22	Double Mop Wringer Trolley-40 Ltrs	40	3,000	1,20,000
	Total			**10,74,29,000**

[*]As certified by Vastukala Consultants (I) Pvt. Ltd., Chartered Engineer pursuant to their certificate dated September 16, 2023.
[**]Including applicable GST.
[#]All quotations are valid till March 2024.

Description of machinery

S. No.	Description of the machine	Usage of the machine
1	CRBR 180 ride on scrubber, battery Operated (traction battery),scrubbing width 750 mm, 33 l/sec	Used for Wet & Dry Vacuuming
2	CRBR 150 ride on sweeper battery operated 24v,24/240vah, lead acid batteries, deep cycle, scrubbing width 800 mm, no of brushes 2 Nos.	Single Disc used for Floor Scrubbing
3	CRSD 1500 E scrubber drier (cable operated), electrical operated 230/50 hz supply, scrubbing width 450 mm, 1087 mm H 20	Dry vacuum compact machine used for Carpets & Seats
4	CRSD 1400E scrubber drier 230v, single phase, scrubbing width 450 mm, width suction 750 mm 780 mm, electrical 230 va, 50 hz, brushes, 1 no.	Used for pressure washing of floors surfaces & Vehicles
5	CRSD 1200E scrubber drier (blue) , scrubbing width 450 mm, suction 750 mm, 230v /50 hz supply, brushes 1 No.	Walk Behind Auto Scrubber used for Various types floor scrubbing in a very efficient way
6	CRSD 550E mini auto scrubber drier 500 mm width, suction width 780 mm, electrical 230 v a.c, 50 hz, brushes 1 no,	Used for Dry Sweeping in the outdoor and as well as indoor periphery area's
7	CRV 30-C Ltrs stainless steel wet &dry vacuum cleaner red single stage brushless motor, 230 v/ 50 hz supply, water tank 26 Ltrs.	Used for Different type of floor scrubbing, Indoor use
8	CRV 60- Ltrs stainless steel wet &dry vacuum cleaner (2 motor)	Used for Dry Sweeping in the outdoor and as well as indoor periphery area's
9	CRV 60- ltr stainless steel wet &dry vacuum cleaner (3 motor) red, 60 Ltrs, single stage motor, brushless, heap filter 5 microns, 230 v/ 50 hz supply 10	Walk Behind Auto Scrubber used for Various types floor scrubbing in a very efficient way
10	Manual sweeper (with heap filter), double brushes, belt, hard wheels, 700 mm sweeping width, powder coated handle	Walk Behind Auto Scrubber used for Various types floor scrubbing in a very efficient way
11	CRHP -150 bar high pressure washer 230 v / 50 hz supply, brass pump kit, water filter, motor 3000 w, 12 Ltrs / min	Walk Behind Auto Scrubber used for Various types floor scrubbing in a very efficient way
12	CRPH -120-160- bar without stand compact powerful pressure, 13 ipm, 230 v/ 40 hz, multiple nozzles, silicon piston to sustain higher operating temperature	Used for Wet & Dry Vacuuming
13	CBR 1100 backpack vacuum cleaner less than 5 microns, only dry and compact brushless motors, 230 v 50 hz	Used for Wet & Dry Vacuuming, Heavy Duty
14	CRS 1100 multifunction, floor scrubbing machine, 230 v / 50 hz, single disc	Used for pressure washing of floors surfaces & Vehicles, Heavy Duty
	HK TOOLS	
15	Telescopic Pole-2 level- 2.4 m (Green Colour Grip)	HK tools
16	Telescopic Pole-2 level-3 m (Green Colour Grip)	HK tools

S. No.	Description of the machine	Usage of the machine
17	Telescopic Pole-3 level-4 m (Green Colour Grip)	HK tools
18	Telescopic Pole-3 level-6 m (Green Colour Grip)	HK tools
19	Telescopic Pole-3 level-9 m (Green Colour Grip)	HK tools
20	Glass Cleaning Kit	HK tools
21	Double Mop Wringer Trolley-34 Ltrs	HK tools
22	Double Mop Wringer Trolley-40 Ltrs	HK tools

[*Remainder page left intentionally blank*]

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we are yet to place any orders for such equipment. We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. No second-hand or used machinery are proposed to be purchased out of the Net Proceeds. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment in relation to the capital expenditure or such other equipment as may be considered appropriate, according to the business requirements, subject to the total amount to be utilized towards purchase of such new machinery not exceeding ₹ 100.00 million.

4. General Corporate Expenses

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include but are not limited to meeting fund requirements which our Company may face in the ordinary course of business, funding growth opportunities, strengthening marketing capabilities, brand building exercises, interest payments and other debt servicing costs and working capital requirements incurred in the ordinary course of business including salaries and wages, general and administrative expenses, ongoing general corporate contingencies and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable laws. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include fees payable to the Lead Manager and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for the listing fees, the Company and the Selling Shareholder will share the costs and expenses (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the Lead Manager, legal counsel and other intermediaries, advertising and marketing expenses, printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by the Selling Shareholder through the Offer for Sale. The Company shall advance the cost and expenses of the Offer, and the Company will be reimbursed by the Selling Shareholder for its respective proportion of such costs and expenses upon successful completion of the Offer. The Selling Shareholder agrees that such payments, expenses and taxes will be deducted from the proceeds from the sale of Offered Shares, in accordance with Applicable Law and as disclosed in the Offer Documents, in proportion to its Offered Shares.

The estimated Offer related expenses are set out below.

Activity	Estimated expenses(1)	As a percentage of the total estimated Offer expenses(1)	As a percentage of the total Offer size(1)
	(₹ million)	*(%)*	*(%)*
Lead Manager's fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs(1)(2)(3)(4)	[●]	[●]	[●]

Activity	Estimated expenses(1)	As a percentage of the total estimated Offer expenses(1)	As a percentage of the total Offer size(1)
	(₹ million)	*(%)*	*(%)*
Brokerage and selling commission and bidding charges for Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

Notes:

(1) *Offer expenses include applicable taxes Offer Expenses are estimates and subject to change*

(2) *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price*

(3) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	[●]*% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	[●]*% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

No uploading/processing fees shall be payable by our Company and selling shareholder to the SCSBs on the applications directly procured by them

(4) *Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, and Non-Institutional Bidders which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for Retail Individual Bidders	*₹[●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹[●] per valid application (plus applicable taxes)*

Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non- Institutional Bidders and Qualified Institutional Bidders with bids above ₹5,00,000 would be ₹[●] plus applicable taxes, per valid application

(5) *The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:*

Members of the Syndicate / RTAs / CDPs	*₹[●] per valid Bid cum Application Form* (plus applicable taxes)*
Sponsor Bank	*₹[●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws*

**For each valid application*

(6) *Selling commission on the portion for Retail Individual Bidders, and Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their sub-syndicate members) would be as follows:*

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*
Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

(7) *The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

(8) *Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*
The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.

#All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank(s) Agreement.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular

No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Interim use of the Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Our Company, in accordance with the policies established by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described in this section, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as of the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Our Company will appoint a credit rating agency as the monitoring agency to monitor utilization of proceeds from the Fresh Issue prior to filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the Auditor.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects. This information will also be published on our website simultaneously with our interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing it before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and the SEBI ICDR Regulations, our Company shall not vary the Objects of the Fresh Issue, without our Company being authorized to do so by its Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to the Companies Act, the promoters and controlling shareholders of our Company, as at the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the provisions of the Companies Act and the SEBI ICDR Regulations.

Other confirmations

Except to (i) the extent of the proceeds from Offer for Sale that will be received by the Promoter Selling Shareholder and (ii) part of the Net Proceeds to be utilized towards repayment of loan availed from Mumbai District Central Co-operative Bank Limited, none of our Promoters, Promoter Group, Directors, KMP, Senior Management, Group Companies or any other parties with whom we have entered, or will enter, into related party transactions, will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, Promoter Group, Directors, KMP, Senior Management, Group Companies or any other parties with whom we have entered, or will enter, into related party transactions. For further details regarding repayment of loan availed from Mumbai District Central Co-operative Bank Limited, please see section titled "- *Details of the Objects -Repayment/prepayment, in full or part, of certain borrowings availed of by our Company*" on page 99.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to "*Risk Factors*", "*Our Business*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 34, 183, 250 and 309, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are set out below:

- Comprehensive range of service offerings providing one-stop solution to customers;
  Focused business model which is well-positioned to capture favourable industry dynamics;
- Longstanding relationship with customers across diverse sectors, with recurring business;
- Wide geographic presence with large and efficient workforce, coupled with strong recruitment and training capabilities;
- Historical track-record of strong financial performance, with a scalable, agile and efficient business model

For further details, please see "*Our Business — Our Competitive Strengths*" on page 185.

Quantitative Factors

Some of the information presented in this section is derived from our Restated Consolidated Financial Information. For details, see "*Financial Information*" on page 250.

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

1. Basic and Diluted Earnings per Share ("**EPS**"):

Financial Year / Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	33.33	33.33	3
March 31, 2022	22.69	22.69	2
March 31, 2021	14.45	14.45	1
Weighted Average	26.64	26.64	

Notes:

1. Restated Basic earnings per share (₹) = Restated consolidated profit for the year attributable to equity holders of the parent divided by Weighted average number of equity shares.

2. Restated Diluted earnings per share (₹) = Restated consolidated profit for the year attributable to equity holders of the parent / Weighted average number of equity shares adjusted for effects of dilutions.

3. Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.

4. Subsequent to March 31, 2023, our Company has allotted 5,762,200 Equity Shares on September 27, 2023 pursuant to a bonus issuance.. For further details, please see "Capital Structure" on page 84.

2. Price/Earning ("P/E") ratio in relation to the Price Band of ₹ [●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on basic EPS for Fiscal 2023	[●]	[●]
Based on diluted EPS for Fiscal 2023	[●]	[●]

* *To be updated at Prospectus stage.*

3. Industry Peer P/E ratio

Particulars	Industry Peer P/E	Name of the company	Face value of the equity shares (₹)
Highest	30.06	Quess Corp	10
Lowest	18.54	SIS Limited	5
Average	24.30	-	-

Notes:

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Basis for the Offer Price – Comparison with listed industry peers "on page 112.

4. Industry Peer P/B ratio

Particulars	Industry Peer P/B	Name of the company	Face value of the equity shares (₹)
Highest	2.75	SIS Limited	5
Lowest	2.63	Quess Corp	10
Average	2.69	-	-

Notes:

The industry high and low have been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed in this section. For further details, see "Basis for the Offer Price – Comparison with listed industry peers" on page 112.

5. Return on Net Worth ("RoNW"):

Financial Year/Period ended	RoNW (%)	Weight
March 31, 2023	23.53	3
March 31, 2022	16.04	2
March 31, 2021	12.37	1
Weighted Average	19.17	

Notes:

1. *RoNW is calculated as restated profit for the year attributable to equity holders of the parent divided by net worth.*
2. *Net worth (total equity) means the aggregate of paid-up equity share capital and other equity attributable to equity shareholders of the parent (excluding noncontrolling interest).*

6. Net Asset Value per Equity Share:

Financial Year/ Period ended	Net Asset Value per Equity Share (₹)
As of March 31, 2021	283.59
As of March 31, 2022	284.36
As of March 31, 2023	236.15
After the Offer	At Floor Price: [●]
	At Cap Price: [●]
	At Offer Price: [●]

1. *Notes:Net asset value per equity share represents restated net worth attributable to equity shareholders of the parent (excluding non-controlling interest) at the end of the year divided by numbers of equity share outstanding during the respective year.*
2. *Net worth (total equity) means the aggregate of paid up equity share capital and other equity attributable to equity shareholders of the parent (excluding non-controlling interest).*

7. Comparison with listed industry peers

Following is the comparison with our peer companies listed in India and in the same line of business as our Company:

Name of the company	Total Income (₹ in million)	Face Value (₹)	P/E(4)	P/B(5)	EPS (Basic) (₹)(3)	EPS (Diluted) (₹)(3)	RoNW (%)(6) (9)	NAV per equity share (₹)(7) (9)
Krystal Integrated Services Limited*	7,109.65	10	NA	NA	33.33	33.33	23.53%	283.59
Listed Peers								
Quess Corp Limited	1,71,583.87	10	30.06	2.63	15.16	15.04	8.74%	173.43
SIS Limited	1,13,457.80	5	18.54	2.75	23.64	23.43	14.85%	159.23

**Financial information for our Company is derived from the Restated Consolidated Financial Information for the year ended March 31, 2023.*

Notes:

1) *All the financial information for listed industry peers mentioned above is on an audited consolidated basis and sourced from the audited financial statements/ annual report of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.*
2) *The basic and diluted Earnings per Equity Share for the year presented for Krystal Integrated Services Limited have been calculated/restated after considering the bonus issue pursuant to a resolution passed by our Board dated September 26, 2023 and a special resolution passed by our Shareholders dated September 26, 2023, respectively.*
3) *Basic and diluted EPS refers to the Basic EPS sourced from the publicly available financial results of the respective company for Fiscal 2023.*
4) *P/E Ratio has been computed based on the closing market price (September 15, 2023) of equity shares on NSE , divided by the Diluted EPS provided under Note 3 above.*

5) *P/B Ratio has been computed based on the closing market price (September 15, 2023) of equity shares on NSE , divided by the NAV provided under note (7) below.*
6) *Return on Net worth (%) = Profit for the year / Net Worth at the end of the year.*
7) *Net Asset Value per Equity Share for Listed Peers (in ₹) = Net worth at the end of the year (excluding Non-controlling Interest) / Diluted Weighted number of equity shares outstanding at the end of the year*
8) *Net Asset Value per Equity Share (in ₹) = Net worth at the end of the year / Diluted Weighted number of equity shares outstanding at the end of the year.*
9) *N.A. – Not Applicable*
10) *Return on Net Worth and Net Asset Value per Equity Share are non-GAAP measures. For reconciliation see "Management's Discussion and Analysis of Financial Conditions and Results of Operations –Non-GAAP Measures" on page 328*

8. Key Performance Indicators

The table below sets forth the details of certain key performance indicators ("**KPIs**") that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 27, 2023. The Audit Committee has further confirmed that the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. The KPIs disclosed below have been certified by Maheshwari & Co., Chartered Accountants, pursuant to certificate dated September 27, 2023:

(Amount in ₹ millions, except EPS and percentages)

S.no.	Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
1.	Revenue from operations(1)	7,076.36	5,526.76	4,712.89
2.	Revenue CAGR(2) (From Fiscal 2021 to Fiscal 2023) (%)	22.54 %		
3.	EBITDA (3)	545.09	454.57	301.05
4.	EBITDA Margin(4) (%)	7.70%	8.22%	6.39%
5.	EBITDA CAGR(5) (From Fiscal 2021 to Fiscal 2023) (%)	34.56%		
6.	PAT(6)	384.44	262.74	168.24
7.	PAT (%) of Total Revenue(7)	5.43%	4.75%	3.57%
8.	PAT CAGR (8) (From Fiscal 2021 to Fiscal 2023) (%)	51.17%		
9.	Earnings Per Share (Basic) (9)	33.33	22.69	14.45
10.	Earnings Per Share (Diluted) (10)	33.33	22.69	14.45
11.	Debt Equity Ratio (11)	0.31	0.45	0.50
12.	Net Debt (12)	1.25	384.91	404.54
13.	Net Debt to EBITDA(13)	0.002	0.85	1.34
14.	Net Asset Value per share(14)	283.59	284.36	236.15
15.	Net Worth(15)	1,634.12	1,638.55	1,360.75
16.	Return on Net worth(16)	23.53%	16.04%	12.37%
17.	Return on Capital Employed(17)	28.82%	25.03%	19.01%

Notes:

1) *Revenue from Operations means the income generated by an entity from its daily core business operations*
2) *Revenue CAGR is calculated by dividing the Revenue from operation for the FY 2023 by the Revenue from operation for the FY 2021, raising it to the power of one divided by the number of compounding periods i.e. 2 years, and subtracting by one.*
3) *EBITDA is calculated by adding interest, tax, depreciation, and amortization expenses to net Profit before Tax subtracted by other income.*
4) *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.*
5) *EBITDA CAGR is calculated by dividing the EBITDA for the FY 2023 by the EBITDA for the FY 2021, raising it to the power of one, divided by the number of compounding periods i.e. 2 years, and subtracting by one.*
6) *PAT is calculated as Profit after interest, tax & depreciation.*
7) *PAT (%) of total revenue is calculated as PAT divided by Revenue from Operations*
8) *PAT CAGR is calculated by dividing the PAT for the FY 2023 by the PAT for the FY 2021, raising it to the power of one, divided by the number of compounding periods i.e. 2 years, and subtracting by one.*
9) *Earnings Per Share (Basic) is calculated as PAT divided by the Weighted avg no, of Shares.*
10) *Earnings Per Share (Diluted) is calculated as PAT divided by the Weighted avg no, of Shares and diluted shares.*
11) *Debt Equity Ratio is calculated as Total debt divided by total shareholders' Equity.*

12) Net debt is calculated by subtracting a company's total cash and cash equivalents and Bank Balances other than cash and cash equivalents from its total debt.
13) Net Debt to EBITDA is calculated as companies Net Debt divided by the company EBITDA
14) Net Asset Value per share is calculated as companies Net Asset divided by the total No. of Shares
15) Net Worth is calculated by subtracting a company's Total Liabilities from its Total Assets.
16) Return on Networth is calculated as companies PAT divided by the company Total Shareholders' Equity (Networth)
17) Return on Capital Employed is calculated as companies EBIT divided by the company Average Capital Employed

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 183 and 309, respectively.

9. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company:

S.no	Key Performance Indicator	Explanation
1.	Revenue from operations	Used to track the revenue profile of the business and in turn helps us assess the overall financial performance of our Company and size of our business
2.	Revenue CAGR (From Fiscal 2021 to Fiscal 2023) (%)	Used to track the annualised growth rate of our revenue over a specific period, and is a measure of growth in business
3.	EBITDA	Used to track the operating performance of our Company
4.	EBITDA Margin (%)	Used to track operating efficiency and profitability of our Company
5.	EBITDA CAGR (From Fiscal 2021 to Fiscal 2023) (%)	Used to track the annualised growth rate in EBITDA over a specific period, and is a measure of growth in overall operational profitability.
6.	PAT	Used to track the profitability of our business
7.	PAT (%) of Total Revenue	Used to track the profitability and financial performance of our business
8.	PAT CAGR (From Fiscal 2021 to Fiscal 2023)	Used to track the annualised growth rate of our PAT over a specific period, and is a measure of growth of profitability
9.	Earnings Per Share (Basic)	Used to track our profit per outstanding equity share, without accounting for any potential dilution
10.	Earnings Per Share (Diluted)	Used to track our profit per outstanding equity share, accounting for any potential dilution from instruments that could be converted into or result in new equity shares
11.	Debt Equity Ratio	Used to track our financial leverage and related risk
12.	Net Debt	Used to track level of leverage in the Company, and our overall debt obligations
13.	Net Debt to EBITDA	Used to track our ability to manage our debt
14.	Net Asset Value per share	Used to track the underlying asset value per equity share of our Company
15.	Net Worth	Used to track our financial position
16.	Return on Net Worth	Used to measure the profitability and effectiveness of equity investments by shareholders
17.	Return on Capital Employed	Used to assess the efficiency and profitability of capital investments

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10. Comparison of KPIs with listed industry peers:

(Amount in ₹ Millions, except EPS and percentages)

S.no.	Particulars	Krystal Integrated Services Limited			Quess Corp Limited			SIS Limited		
		Financial Year ended March 31, 2023	**Financial Year ended March 31, 2022**	**Financial Year ended March 31, 2021**	**Financial Year ended March 31, 2023**	**Financial Year ended March 31, 2022**	**Financial Year ended March 31, 2021**	**Financial Year ended March 31, 2023**	**Financial Year ended March 31, 2022**	**Financial Year ended March 31, 2021**
1.	Revenue from operations[(1)]	7,076.36	5,526.76	4,712.89	171,583.87	136,917.78	108,368.95	113,457.80	100,590.76	91,273.04
2.	Revenue CAGR[(2)] (From Fiscal 2021 to Fiscal 2023) (%)	22.54 %			25.83%			11.49%		
3.	EBITDA [(3)]	545.09	454.57	301.05	6,392.49	6,290.22	4,793.72	5,017.40	5,011.00	2,450.80
4.	EBITDA Margin[(4)] (%)	7.70%	8.22%	6.39%	3.73%	4.59%	4.42%	4.42%	4.98%	2.69%
5.	EBITDA CAGR[(5)] (From Fiscal 2021 to Fiscal 2023) (%)	34.56%			15.48%			43.08%		
6.	PAT[(6)]	384.44	262.74	168.24	2,244.17	2,412.25	578.77	3,463.89	3,250.69	3,654.10
7.	PAT (%) of Total Revenue[(7)]	5.43%	4.75%	3.57%	1.31%	1.76%	0.53%	3.05%	3.23%	4.00%
8.	PAT CAGR [(8)] (From Fiscal 2021 to Fiscal 2023) (%)	51.17%			96.91%			-2.64%		
9.	Earnings Per Share (Basic) [(9)]	33.33	22.69	14.45	15.16	16.32	3.92	23.64	22.09	24.85
10.	Earnings Per Share (Diluted) [(10)]	33.33	22.69	14.45	15.04	16.18	3.87	23.43	21.87	24.73
11.	Debt Equity Ratio [(11)]	0.31	0.45	0.50	1.24	1.12	0.94	1.45	1.46	1.75
12.	Net Debt [(12)]	1.25	384.91	404.54	29,503.95	24,656.68	17,974.52	27,137.93	23,379.37	23,527.11
13.	Net Debt to EBITDA[(13)]	0.002	0.85	1.34	4.43	3.80	3.43	5.08	4.22	3.25
14.	Net Asset Value per share[(14)]	283.59	284.36	236.15	173.43	164.95	159.14	159.23	140.76	124.48
15.	Net Worth[(15)]	1,634.12	1,638.55	1,360.75	25,687.51	24,377.55	23,431.10	23,332.93	20,712.52	18,307.63
16.	Return on Net worth[(16)]	23.53%	16.04%	12.37%	8.74%	9.90%	2.47%	14.85%	15.69%	19.96%
17.	Return on Capital Employed[(17)]	28.82%	25.03%	19.01%	11.66%	14.31%	9.26%	11.58%	14.85%	21.36%

Notes:

(1) Revenue from Operations means the income generated by an entity from its daily core business operations

(2) Revenue CAGR is calculated by dividing the Revenue from operation for the FY 2023 by the Revenue from operation for the FY 2021, raising it to the power of one divided by the number of compounding periods i.e. 2 years, and subtracting by one.

(3) EBITDA is calculated by adding interest, tax, depreciation, and amortization expenses to net Profit before Tax.

(4) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
(5) EBITDA CAGR is calculated by dividing the EBITDA for the FY 2023 by the EBITDA for the FY 2021, raising it to the power of one, divided by the number of compounding periods i.e. 2 years, and subtracting by one.
(6) PAT is calculated as Profit after interest, tax & depreciation.
(7) PAT (%) of total revenue is calculated as PAT divided by Revenue from Operations
(8) PAT CAGR is calculated by dividing the PAT for the FY 2023 by the PAT for the FY 2021, raising it to the power of one, divided by the number of compounding periods i.e. 2 years, and subtracting by one.
(9) Earnings Per Share (Basic) is calculated as PAT divided by the Weighted avg no, of Shares.
(10) Earnings Per Share (Diluted) is calculated as PAT divided by the Weighted avg no, of Shares and diluted shares.
(11) Debt Equity Ratio is calculated as Total debt divided by total shareholders' Equity.
(12) Net Debt is calculated as Net debt is calculated by subtracting a company's total cash and cash equivalents and Bank Balances other than cash and cash equivalents from its total debt.
(13) Net Debt to EBITDA is calculated as companies Net Debt divided by the company EBITDA
(14) Net Asset Value per share is calculated as companies Net Asset divided by the total No. of Shares
(15) Net Worth is calculated by subtracting a company's Total Liabilities from its Total Assets.
(16) Return on Networth is calculated as companies PAT divided by the company Total Shareholders' Equity (Networth)
(17) Return on Capital Employed is calculated as companies EBIT divided by the company Average Capital Employed

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11. **Price per share, floor price and cap price**

(a) **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

The Company has not issued any Equity Shares or convertible securities, excluding shares issued under ESOP Plans during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(b) **Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) or Promoters or members of the Promoter Group or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

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

Since there are no such transaction to report to under (a) and (b), the following are the details based on the last five primary or secondary transactions (secondary transactions where the Promoters or members of the Promoter Group or shareholders having a right to nominate directors to the Board are a party to the transaction, excluding gifts), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

Primary transactions						
Date of allotment	**Nature of transaction**	**No. of Equity Shares**	**Cost per Equity Share**	**Total Cost**	**Cumulative amount paid for the Equity Shares**	**Cumulative No. of Equity Shares**
September 27, 2023	Bonus issue in the ratio of one Equity Shares for every one Equity Share held	5,762,200	-	-	-	5,762,200
Total					-	5,762,200
Weighted average cost of acquisition (primary transactions) (₹ per Equity Share)					Nil	
Secondary transactions						
March 16, 2021	Transfer from Krystal Family Holdings Private Limited jointly with Prasad Minesh Lad to Krystal Family	1	10.00	60.00	10	1

	Holdings Private Limited jointly with Neeta Prasad Lad					
June 28, 2023	Transfer from Krystal Family Holdings Private Limited to Saily Prasad Lad, Shubham Prasad Lad, Pravin Ramesh Lad, Amit Pawar, Sanjay Dighe	5	10.00	50.00	50	6
September 25, 2023	Transfer from Krystal Family Holdings Private Limited jointly with Neeta Prasad Lad to Neeta Prasad Lad	1	10.00	10.00	10	7
Total					70	7
Weighted average cost of acquisition (secondary transactions) (₹ per Equity Share)					10	

^*As certified by T R Chadha & Co LLP, Statutory Auditors pursuant to their certificate dated September 27, 2023.*
**There are no other shareholders with the right to nominate directors on the Board or any other special rights.*

For further details in relation to the share capital history of our Company, see "*Capital Structure*" on page 84.

12. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by the shareholders with rights to nominate directors are disclosed below:

Type of transactions	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
I. Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested),in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA#	[●] times	[●] times
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five percent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before	NA#	[●] times	[●] times

such transaction/s and excluding employee stock options granted but not vested),in a single transaction or multiple transactions combined together over a span of rolling 30 days			
II. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Type of transactions	**WACA (in ₹)**	**Floor Price (₹ [●])***	**Cap Price (₹ [●])***
a) WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	NA#	[●] times	[●] times
b) WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	10	[●] times	[●] times

^ *As certified by T R Chadha & Co LLP, Statutory Auditors pursuant to their certificate dated September 27, 2023.*
#*WACA has been mentioned as NA since there have been no transactions excluding bonus issuance.*
**To be updated at Prospectus Stage.*
** *There are no other shareholders with the right to nominate directors on the Board or any other special rights.*

13. Justification for Basis for Offer price

Detailed explanation for Offer Price/Cap Price being [●] times of WACA of past five primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the Offer, if any.

[●]*

**To be updated at Prospectus Stage.*

14. The Offer Price is [●] times the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholder (with prior consent of [●]) in consultation with the Lead Manager, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 34, 183, 309 and 250 respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

CERTIFICATE ON SPECIAL TAX BENEFITS FOR THE COMPANY AND ITS SHAREHOLDERS

September 26, 2023

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 and referred to as the "**Book Running Lead Manager**" or the "**BRLM**")

Sub: 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** have been requested by the Company to verify the statement of possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023, hereinafter referred to as the "Indian Income Tax Regulations" presented in **Annexure 1** and under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable state-wise/union territory-wise goods and service tax legislations ("**GST Acts**"), the Customs Act, 1962 and the Customs Tariff Act, 1975 (both together, with the GST Acts, the "**Indian Indirect Tax Regulations**") as amended from time to time, as amended by the Finance Act 2023 as presented in **Annexure 2** (together the "**Annexures**").

Management's Responsibility

The preparation of the Statement as of the date of our certificate which is to be included in the draft red herring prospectus, red herring prospectus and prospectus for the Offer is the responsibility of the management of the Company. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

We have performed the following procedures in this regard:

We have reviewed the enclosed Annexures 1 and 2 (together, the "**Annexures**"), prepared by the Company and initialed us for identification purposes, which provides the possible special tax benefits available to the Company and to the shareholders of the Company as stated in those annexures, as under:

- Indian Income Tax Regulations, applicable for the financial year 23-24 relevant to the assessment year 2024-25, presently in force in India; and
- Indian Indirect Tax Regulations, applicable for the financial year 23-24 relevant to the assessment year 2024-25, presently in force in India.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed Annexures are not exhaustive. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest money based on this statement. These statements do not cover any general tax benefits available to the Company and its shareholders and is neither designed nor intended to be a substitute for professional tax advice.

Further, we give no assurance that the revenue authorities / courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations and its interpretation and Indian Indirect Tax Regulations, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation.

We will not be liable to any other person in respect of the Statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or.
iii) The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This certificate, including **Annexure 1 and 2** herein, is for your information and for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together the "**Offer Documents")** with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") and subsequently the red herring prospectus and the prospectus with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**") may be prepared in connection with the Offer.

The aforesaid information contained herein and in **Annexure 1 and 2** may be relied upon by the Book Running Lead Managers and legal counsels appointed pursuant to the Offer and may be submitted to the stock exchanges, the Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Offer and for the records to be maintained by the Book Running Lead Managers.

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. We conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects. The aforesaid Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time.

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 BRLM 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, BRLM and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Yours faithfully,

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration Number: **0N500028**

Alka Hinge
(Partner)
(Membership Number: 104574
UDIN: 23104574BGWFNN4054

Date: September 26, 2023

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

ANNEXURE 1

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE KRYSTAL INTEGRATED SERVICES LIMITED (FORMERLY KNOWN AS KRYSTAL INTEGRATED SERVICES PRIVATE LIMITED) ("THE COMPANY") AND ITS SHAREHOLDERS UNDER INDIAN INCOME TAX REGULATIONS

UNDER THE INCOME TAX ACT, 1961

A. Special tax benefits available to the Company:

In accordance with and subject to fulfilment of conditions as laid out under Section 80JJAA of the Income-Tax Act, 1961 ('IT Act') the Company may be entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. Special tax benefits available to the Shareholders

There are no special direct tax benefits available to the shareholders for investing in the shares of the Company.

NOTES:

1. *The above is as per the current tax laws, as amended by the Finance Act, 2023.*

2. *The above Statement of possible special tax benefits sets out the provisions of Indian Income Tax Regulations in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.*

3. *The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.*

4. *In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.*

5. *The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

6. *Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.*

ANNEXURE 2

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE KRYSTAL INTEGRATED SERVICES LIMITED (FORMERLY KNOWN AS KRYSTAL INTEGRATED SERVICES PRIVATE LIMITED) ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE INDIAN INDIRECT TAX REGULATIONS.

A. Special tax benefits available to the Company:

The Company are not entitled to any special tax benefits under the Indian Indirect Tax Regulations, read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.

B. Special tax benefits available to the Shareholders

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company under the Indian Indirect Tax Regulations.

NOTES:

1. *The above is as per the current tax laws, as amended by the Finance Act, 2023.*

2. *The above Statement of possible special tax benefits sets out the provisions of indirect tax laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.*

3. *There is no special tax benefit available to Company under Indian Indirect Tax. However, the Company is availing exemption under Section 11 of CGST/SGST Act, 2017 vide exemption notification no. 12/2017 Central Tax (Rate) dated 28th June 2017 on certain outward supplies of cleaning, housekeeping and security services supplied to educational institutions, local authorities, Hospitals which is subject to conditions and eligibility criteria as specified vide aforesaid notification.*

4. *The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

5. *Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from the industry report titled "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" dated September 21, 2023 which is exclusively prepared for the purpose of the Offer and issued by Frost and Sullivan and is commissioned and paid for by our Company. Frost & Sullivan is not related in any manner to our Company or any of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel. The F&S Report will be available on the website of our Company at https://krystal-group.com/investor/ until the Bid / Offer Closing Date. Links to certain online sources as appearing in the F&S Report have been excluded in this section for ease of presentation. A copy of the F&S Report containing such links will be available at the link mentioned hereinabove.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. These sources are indicated at all relevant places within this section Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources publications may also base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Industry and marked data from the F&S Report is subject to the following disclaimer:

*"The report titled "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" has been prepared for the proposed initial public offering of equity shares by Krystal Integrated Services Limited (the "**Company**").*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

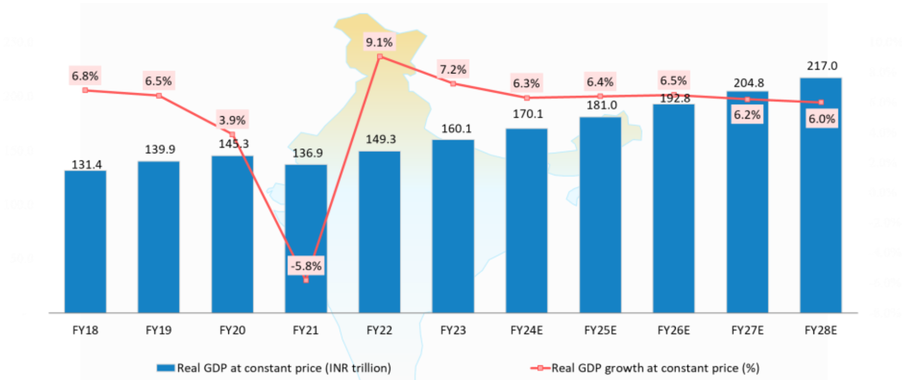
In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

MACROECONOMIC OVERVIEW OF INDIA

India's Economic Growth Trend

The Indian economy is the fifth largest in the world, with a Gross Domestic Product (GDP) of USD 3.8 trillion in FY2023 (MoSPI estimates). The last decade was a mixed bag for the Indian economy with a see-saw movement in the GDP growth between 2010 and 2020. The economy, which was already slowing down since FY2018, received a massive jolt in FY2021 due to COVID-19 pandemic and shrunk by 5.8% in FY2021. However, the Indian economy showed tremendous resilience and bounced back from Q3 FY2021 on the back of corrective measures taken by the government along with huge pent-up demand and the festive season. FY2022 and FY2023 were strong, and the Indian economy registered 9.1% and 7.2% growth respectively, outperforming many other major economies.

Exhibit: India - Real GDP and real GDP growth (annual percentage change), value in INR trillion, growth in %, FY2018-FY2028E



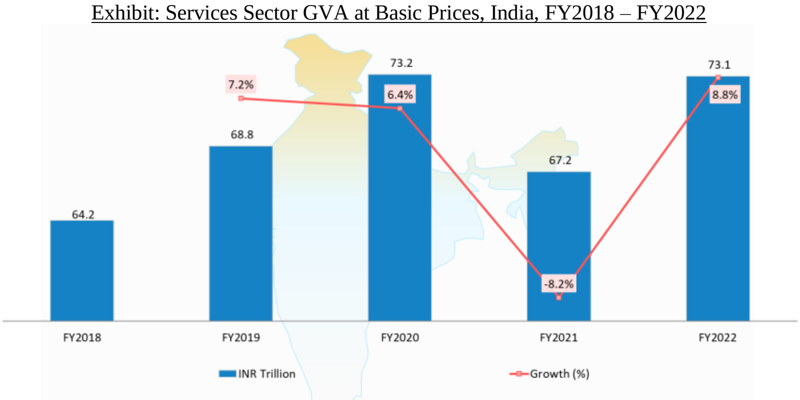
Note: E refers to Estimate Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series) May'23, RBI, IMF; Frost & Sullivan Analysis

The Indian government has been promoting structural reforms, such as a focus on infrastructural development, disinvestment, and higher Foreign Direct Investments (FDI) limits. These reforms have been critical for accelerating the post-pandemic economic recovery. The FY2024 budget has proposed a total capex outlay of INR 10 trillion, which is a 33.0% increase y-o-y and 3.3% of the total GDP. In addition, the government has announced seven priorities for the budget, 'Saptarishi," which include inclusive development, reaching the last mile, infrastructure, and investment, unleashing the potential, green growth, youth power, and the financial sector. The outlook for FY2024 looks positive, with an estimated growth of 6.3%.

Outlook for Services Sector

The Services sector is the engine of economic growth for India and contributed to about 53.4% to India's GVA at current prices in FY2023. The Services industry not only accounts for the majority of India's GVA, but it also attracts significant foreign investment, contributes significantly to exports and employment generation. From April 2000 to June 2022, the Indian Services sector attracted FDI inflows worth USD 96.76 billion. The key segments contributing to the growth of the Services sector are IT, E-Commerce, Tourism & Hotel industry, Real Estate, and Digital Financial Services. The Services sector witnessed a strong recovery from the pandemic and recorded a growth rate of 8.4% in FY2022 driven by release of pent-up demand, ease of travel restrictions and near-universal vaccination coverage.

Exhibit: Services Sector GVA at Basic Prices, India, FY2018 – FY2022



Source: MoSPI; Frost & Sullivan Analysis

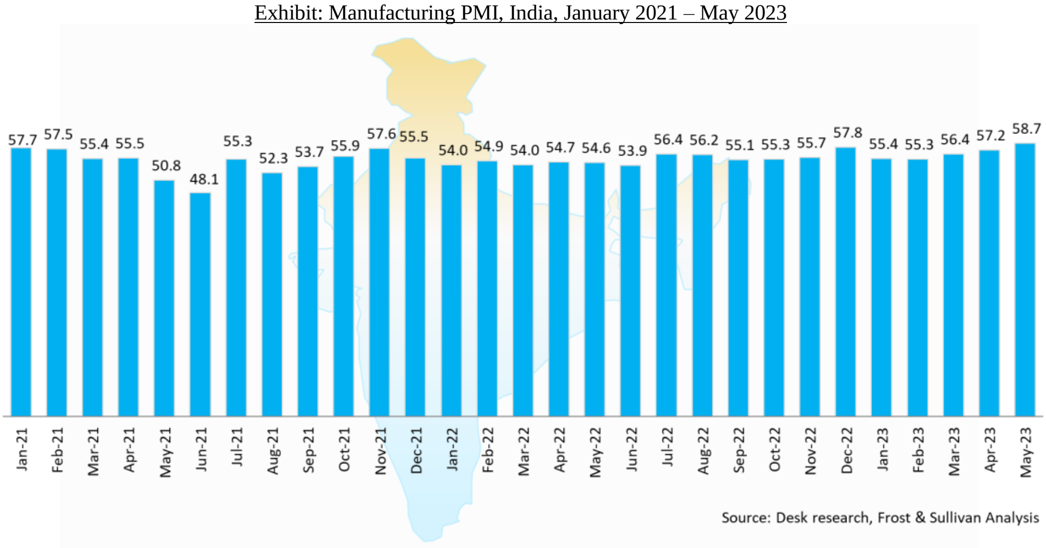
Due to its distinctive talents and competitive advantage produced by knowledge-based services, India is a special emerging market in the world. The Indian Services sector, which is bolstered by several government efforts including Smart Cities, Clean India, and Digital India, is growing thanks to the favourable environment these initiatives are creating.

Outlook for Industrial/ Manufacturing Sector

- *India manufacturing Purchase Managers Index (PMI)*

India is on its way to becoming a hi-tech manufacturing hub backed by India's market of over a billion consumers and rising purchasing power. The Manufacturing sector recovered from the pandemic in mid-2021 and recorded a strong growth in July 2021, amid improved demand and easing of some local COVID-19 restrictions and has been growing ever since. The Manufacturing PMI Index, which measures the performance of India's Manufacturing sector, increased from 54.0 in January 2022 to 58.7 in May 2023 exceeding market estimations. Resilient demand, competitive pricing and increase in demand for Indian products in global market are expected to sustain this growth in the long term.

Exhibit: Manufacturing PMI, India, January 2021 – May 2023

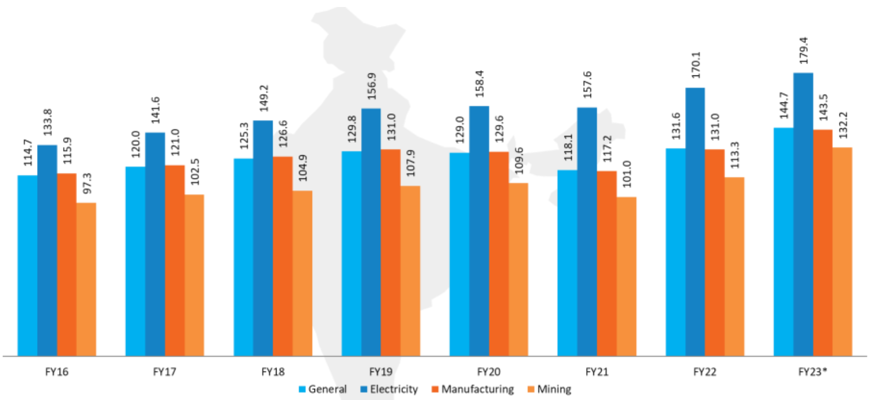


This was the strongest improvement in factory activity since October 2020, boosted by strength of demand. Output growth was at a 28-month high, new orders expanded for the 23rd month running, with the rate of increase the steepest since January 2021, and both overseas orders and employment increased the most in six months.

Index of Industrial Production (IIP)

Investment activity was sluggish in FY2021 due to the pandemic, with project completions being deferred and industrial activity remaining sluggish during this period. However, industrial activity started picking up in June 2021 and continued its momentum in FY2023 with industrial output recording a sharp growth across all the four constituent sectors in two consecutive years. The growth in industrial output is robust and is expected to continue based on the data published by Reserve Bank of India (RBI) till December 2022. Strong consumption base coupled with favourable government policies are expected to boost the industrial output in the near to medium term. Manufacturing firms reported increased output, order books, and employment throughout FY2022 and FY2023. The availability of finance, internal accruals, and foreign sources also improved during FY2022. The subsequent relaxation of restrictions has also had an impact on growth. As predicted by RBI, business confidence improved from 97 in 2021 to 104 in 2022 and currently stands at 100 in 2023 (Source: Organization for Economic Co-operation and Development).

Exhibit: India - Index of Industrial Production (IIP) by Sectors, FY16-FY23E



Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series); RBI (Reserve Bank of India); Frost & Sullivan Analysis
*FY23 values have been captured until December 2022

Government Initiatives to Bolster Growth

With the launch of the Make in India campaign, the Government of India is facilitating investment, fostering innovation, enhancing skill development, protecting intellectual property, and developing best-in-class manufacturing infrastructure in the country. Government of India expects the campaign to play an important role in the economic development of the country by utilising the Indian talent base, creating additional employment opportunities, empowering the secondary and tertiary sector, and encouraging investments from around the world. The Make in India 2.0 program, which succeeds the Make in India, has identified 27 sectors for growth, including aerospace and defense, automotive and auto components, pharmaceuticals and medical devices, biotechnology, capital goods, textiles and apparel, chemicals and petrochemicals, electronics system design and manufacturing (ESDM), leather and footwear, food processing, gems and jewelry, shipping, railways, construction, and new and renewable energy.

Production Linked Incentives (PLI) Scheme

It was announced in March 2020 and updated in November 2020 to create national manufacturing champions. The schemes' objectives are to scale up domestic manufacturing facilities, increase import substitution through domestic production, and generate employment opportunities. The PLI scheme provides turnover-linked incentives to investors upon meeting investment, capacity, and turnover criteria. Key highlights of the PLI scheme are:

- PLI scheme outlay is INR 1,970 billion (USD 26 billion)
- To date, 733 applications have been approved in 14 sectors with an expected investment of INR 3,650 billion.
- Investment of INR 625 billion has been released till March 2023 and this has resulted in incremental production/ sales of over INR 6,750 billion and employment generation of around 325,000.
- Incentive amount of around INR 29 billion has been disbursed in FY2023 under PLI Schemes for 8 Sectors - Large-Scale Electronics Manufacturing (LSEM), IT Hardware, Bulk Drugs, Medical Devices, Pharmaceuticals, Telecom & Networking Products, Food Processing, and Drones & Drone Components.

Key Growth Drivers

Digital competitiveness, mega public investment in infrastructure, a concerted effort to ensure development of a dominant manufacturing base, steps to reduce dependence on external energy supplies and political stability.

Digital Competitiveness

The Digital India initiative is a flagship program launched by the Indian government in 2015 to transform India into a digitally empowered society and knowledge economy. The initiative aims to provide digital infrastructure and services to all citizens, including those living in remote areas.

Under this initiative, the government is promoting the adoption of digital technologies in various sectors, including the Facility Management industry. The use of digital technologies, such as the Internet of Things (IoT), Artificial

Intelligence (AI), and cloud computing, can improve the efficiency and effectiveness of Facility Management services.

For example, the use of IoT sensors can enable facility managers to monitor the performance of equipment and systems in real time, allowing for proactive maintenance and reducing downtime. AI-powered systems can analyse data and provide insights to help facility managers make informed decisions and optimise operations. Cloud computing can enable facility managers to access and manage data from anywhere, improving collaboration and productivity.

Skill India Initiative

The Skill India initiative is a government program launched in 2015 to provide training and skill development to the country's workforce. The initiative aims to improve the employability of the workforce and meet the demands of various sectors, including the Facility Management industry.

Under this initiative, the government is providing funding and technical assistance to training institutions to develop courses and training programs that are relevant to the needs of the industry. The government is also offering incentives to companies that hire and train skilled workers.

The Facility Management industry requires a skilled workforce to provide high-quality services to clients. The Skill India initiative is providing the industry with access to a skilled workforce, improving the quality of Facility Management services offered in the country. The initiative is also promoting the adoption of best practices and the use of new technologies, improving the efficiency and effectiveness of Facility Management services.

Smart Cities Mission

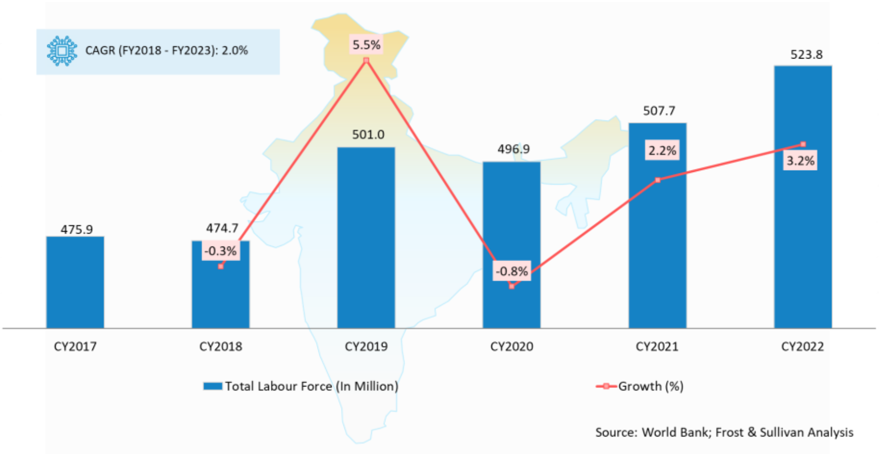
The Smart Cities Mission is another government initiative that is promoting the growth of the Facility Management industry in India. The initiative was launched in 2015 and aims to develop 100 smart cities across the country. Under this initiative, the government is providing funding and technical assistance to cities to develop smart infrastructure and provide better public services. The focus is on developing integrated solutions that use technology to improve the efficiency and sustainability of urban infrastructure and services.

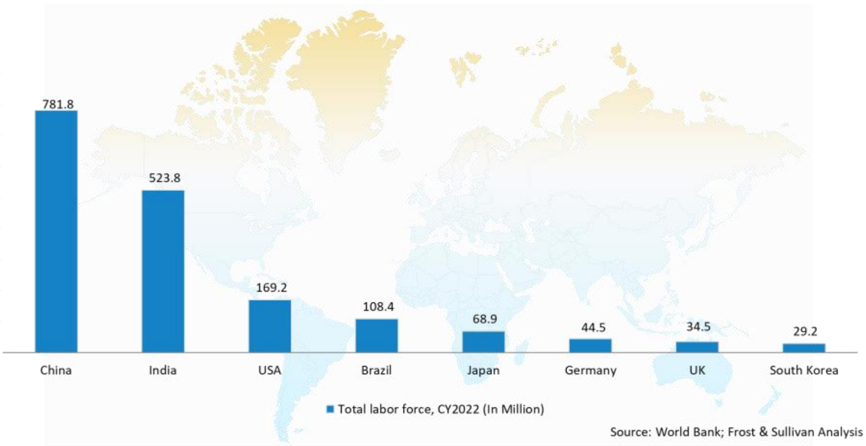
Facility Management plays a crucial role in the development and management of smart cities. Facility Management services are essential for the maintenance and upkeep of public infrastructure, including roads, buildings, parks, and other facilities. With the development of smart cities, the demand for Facility Management services is expected to increase significantly.

Overview of Labour Force in India

The total labour force in CY2022 was 523.8 million in India. Prior to CY2020, the labor force had recorded a CAGR of 0.7% from 2010 – 2019. The COVID-19 crisis resulted in a decline in the labor force by 0.8% in CY2020. The future growth is expected to be robust as all structural drivers such as education enrolment, population growth rate, labor force participation rate, public and private sector investment across key sectors like infrastructure and industry are projected to remain strong over the long-term.

The creation of jobs is one of the central government's main priorities, and various programs have been started in this regard. The net additions to Employee Provident Fund (EPF) subscriptions during FY2022 were 55.7% greater than those during the pre-pandemic year CY2019 and 58.7% higher than those during FY2021· From 0.88 million in April-November 2021 to 0.13 million in April-November 2022, the net average monthly EPF subscribers are growing steadily in India.





OVERVIEW OF THE GLOBAL INTEGRATED FACILITY MANAGEMENT MARKET

Market Definitions

Integrated Facilities Management (IFM) refers to a coordinated effort involving space and people to maintain buildings and properties. In other words, it is the outsourcing of services and functions which are considered as non-core activities for a business. Integrated Facility Management services can be broadly classified and defined as below:

- **Soft Services:** This includes Housekeeping/ Cleaning/ Janitorial, Disinfection & Sanitation, and Landscaping & Gardening services. More than one or all the services are combined in a Soft Services contract.
- **Hard Services:** Pest Control Services, Mechanical, Electrical, Plumbing Maintenance Services, Heating, Ventilation & Air-conditioning Services, Façade Cleaning, and City Maintenance Services (Municipal Sewage Treatment and Solid Waste Management).
- **Other Services:** This includes Catering, Production Support Services, Warehouse Management, Airport Management for Multi-level Parking and Airport Traffic Services.

Service scope not included in the Integrated Facilities Management definitions and segmentations include security and single service contracts, for example cleaning only contracts.

Global Facility Management Market Overview

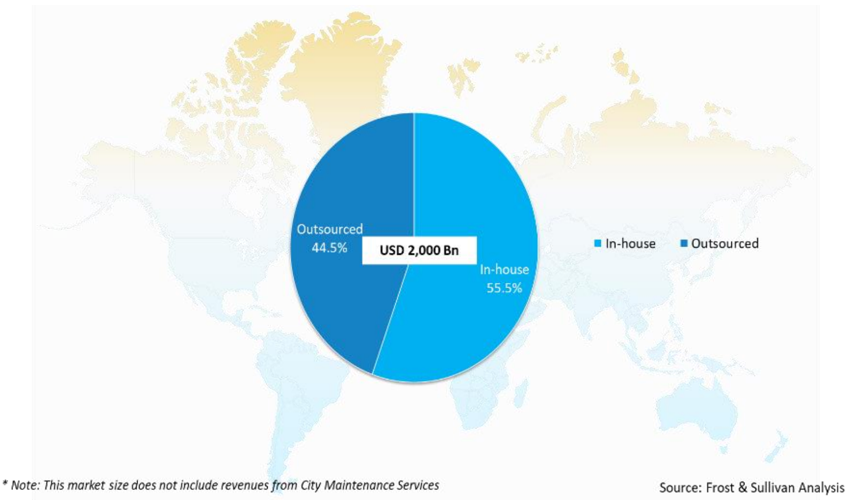
The Facility Management (FM) market is undergoing a significant transformation that is being fueled by technological advancement, new business models, emerging value propositions, disruptive competition, and new service offerings. Value propositions are shifting to service outcomes, user experience, and business productivity. Modern buildings and facilities have become more complex, incorporating advanced technologies, automation, and sophisticated systems. Facility Management services are essential to ensure the efficient operation, maintenance, and optimization of these complex infrastructures.

There is a rising emphasis on sustainability, energy efficiency, and green building practices worldwide. Facility Management plays a crucial role in implementing sustainable practices, managing energy consumption, and achieving environmental certifications, such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM).

The advancement of digital technologies and IoT devices have revolutionised Facility Management. Smart building solutions, data analytics, and predictive maintenance enable facility managers to make data-driven decisions and enhance overall operational efficiency.

The expansion of multinational corporations necessitates standardised Facility Management practices across multiple locations and countries, leading to the growth of global Facility Management service providers.

Exhibit: Facility Management Market: In-house versus Outsourcing, Global, CY2022



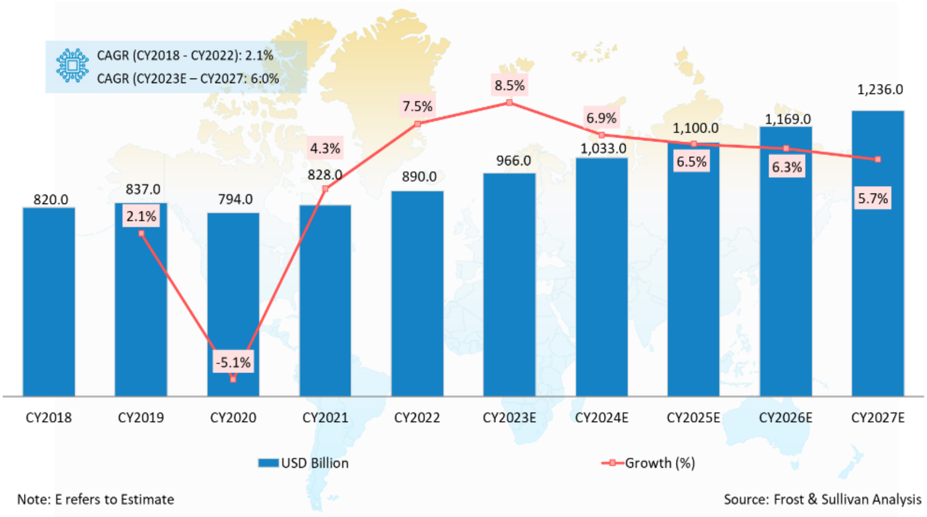
Businesses and corporations are employing the outsourcing of Facility Management services more frequently as a strategy to attain strategic advantages like enhancing their competitive advantage and achieving market preservation or dominance goals. In the last decade, cost optimisation has been the primary goal of outsourcing; however, organisations now seek to outsource Facility Management services to free up internal resources to provide strategic value. They are working to achieve these goals by concentrating on their core business operations and receiving marketable benefits (or cost savings) from strategic partners through outsourcing.

Market Size and Forecasts

The global outsourced Facility Management Market for CY2022 is valued at USD 890.00 billion and has recorded a CAGR of 2.1% from CY2018 – CY2022. Market performance has stabilised and recovered since the 5.1% drop in revenue in CY2020. The market reached pre-pandemic spending levels by late CY2021. Increasing investments in construction and infrastructural projects, growth in industrialisation, development of smart buildings and penetration of digital solutions are expected to drive the demand for Facility Management services across the globe.

The industry is well placed today to take advantage of infrastructural investments in the global scenario. The market propensity for renovating existing buildings presents a good opportunity for this industry to grow. Governmental bodies across emerging countries are contracting with multiple private contractors, including several international players to keep the infrastructure clean and green, including smart building construction. The outsourced Facility Management Market is expected to reach USD 1,236.00 billion by CY2027, recording a CAGR of 6.0% from CY2023 – CY2027.

Exhibit: Outsourced Facility Management Market: Historic Revenue Trend and Forecast, Global, CY2018 – CY2027



The global Facilities Management Market is characterised by the presence of single service contracts, bundled contracts and integrated contracts. Integrated contracts are prominent in advanced Facility Management Markets such as the North America, Europe, and Australia. Single service contracts involve providing only one type of service, for example housekeeping or pest control services only. Bundled services includes providing two or more services within Soft Services or Hard Services in a single contract. Integrated contracts are defined as a group of services that combine Soft Services and Hard Services within the framework of an integrated contract.

Market Segmentations by Regions

The Asian Facility Management Market is the largest globally with a share of 33% of the total outsourced Facility Management Market in CY2022 and is expected to grow rapidly to reach USD 479.6 billion by CY2027 at a 10.6% CAGR, with China and India being the main growth drivers. Outsourcing and service integration trends are granting Asia a strong revenue growth in the integrated contracts within Facility Management Market. The Chinese market is anticipated to double in size during the forecast period to become almost as large as the United States of America market by CY2027.

OVERVIEW OF THE INDIAN INTEGRATED FACILITY MANAGEMENT MARKET

Market Overview

Strong macroeconomic growth fundamentals are contributing to a steady growth in the Integrated Facility Management Market in India. In the past decade the market has witnessed solid growth except for the COVID-19 pandemic; increasing investments in Services and Manufacturing sector is expected to drive the growth momentum over the next five years. Higher FDI over the past decade, driven by liberal economic policies in India has created opportunities for private sector. Since then, the business prospects have bourgeoned in industries ranging from banking and aviation to pharmaceuticals and IT, and India has attracted large multinational companies with its business-friendly climate. The IT and ITeS sector have experienced a boom in business opportunities, which has prompted the sector to invest in construction activities to grow the stock of buildings. Additionally, the rise of organised retail developments in India have also contributed to the built environment, thereby driving the demand for Facility Management services.

Real estate in India is one of the fastest growing industries with a record 68.0% year-on-year growth in CY2022 after the COVID-19 impacted market growth in CY2020 and CY2021. Renewed investment interest among Non-resident Indian (NRIs) and millennials in Indian real estate is a driving factor for the future growth. Private equity investments in real estate sector from January to July 2022 stood at USD3.3 billion. Demand for office and commercial space in Tier 1 and Tier 2 cities are the future growth hot spots and this is expected to drive the demand for Facility Management services in Tier 2 cities in the long-term.

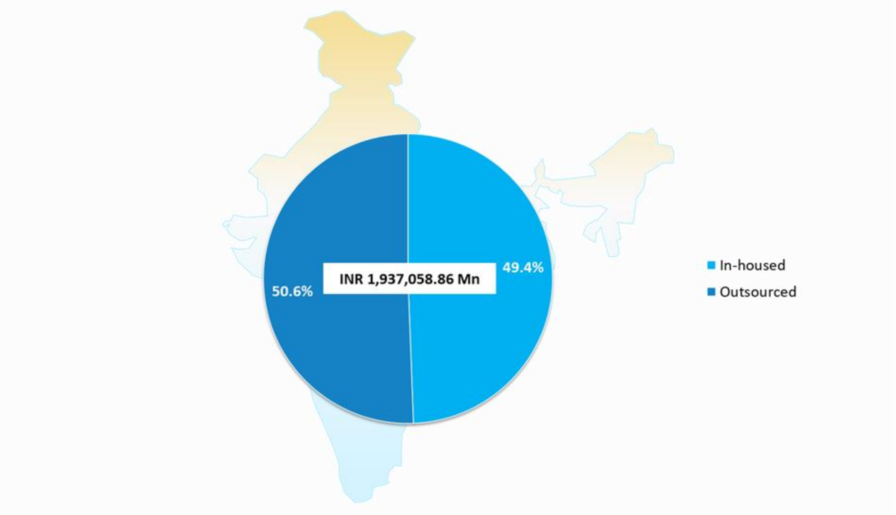
Furthermore, several initiatives by the government to provide housing to all citizens – such as the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs and the development of Smart Cities in India are projected to have a beneficial impact on the Indian Integrated Facility Management industry in the long-term. Asset owners are more inclined to professional Integrated Facility

Management since it not only increases the building's lifespan but also makes sure the asset complies with global health and safety requirements.

Historical Growth Trends

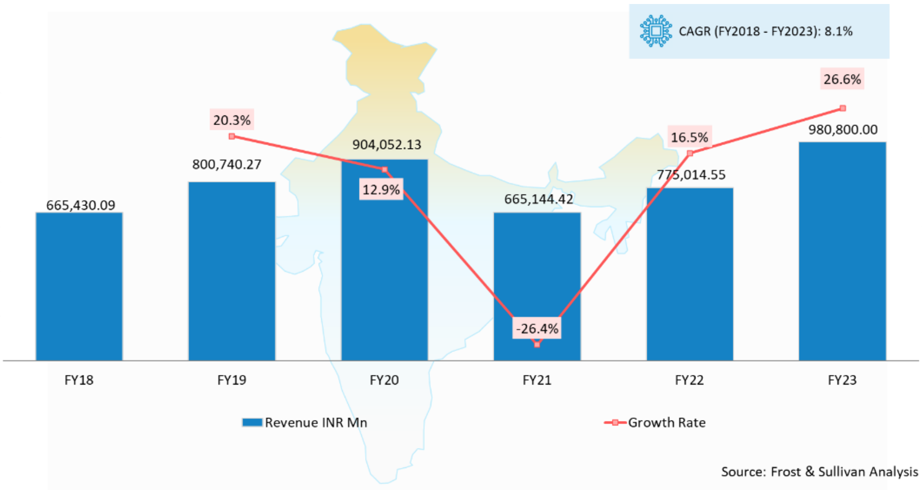
The total Integrated Facility Management Market in India in FY2023 is valued at INR 1,937,058.86 million and around 50.6% of this is outsourced to 3rd party companies. Between FY2018 and FY2023, the outsourced Integrated Facility Management Market grew at a CAGR of 8.1%. In FY2023 the outsourced Integrated Facility Management Market was estimated to be worth INR 980,800.00 million.

Exhibit: Total Integrated Facility Management Market: In-house versus Outsourcing, India, FY2023



Source: Frost & Sullivan Analysis

Exhibit: Outsourced Integrated Facility Management Market: Historic Revenue Trend, India, FY2018 – FY2023



Source: Frost & Sullivan Analysis

Outsourcing of Facility Management Services is becoming a well-accepted concept in both the Commercial and the Residential segment. Within the Residential segment, high-rise residential complexes and premium villas/ homes in urban areas are more inclined to outsourcing. Recently, the market has witnessed increase in outsourcing of Facility Management from the government segment. The government sector has grown at a CAGR of 10.4% during FY2018 – FY2023, higher than the 6.0% recorded by the private sector during the same period. With the increasing choice of outsourcing for safe, clean, secure, and sustainable built environment, the demand for Facility Management Services have been increasing. The market in FY2023 recorded a growth rate of 26.6% from FY2022. The market witnessed a degrowth of 26.4 % in FY2021 due to the global pandemic and recovered in the second half of FY2022.

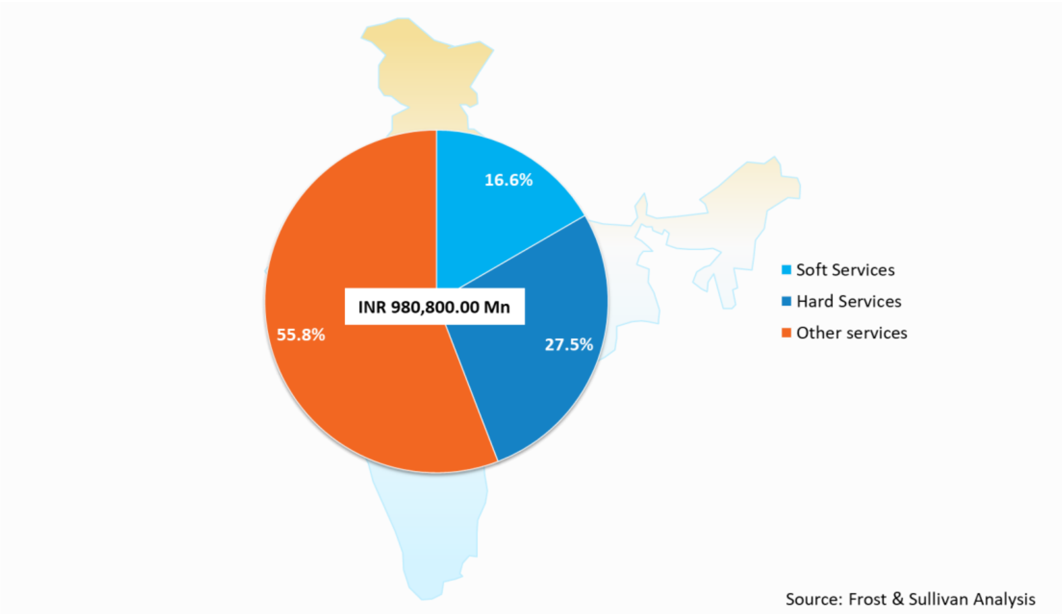
Integrated services models, which combine many or all of the office/building's Facility Management Services under one contract and management team, are replacing single service contract models in the market. This shift is driven by improved building performance while streamlining communication and making day-to-day operations simpler to manage.

Market Segmentations

Integrated Facility Management Market by Services

The Integrated Facilities Management Market primarily consists of Soft Services and Hard Services that account for a combined market share of 44.1 % of the total market in FY2023. In terms of market revenues, the Integrated Facilities Management Market is dominated by the Other Services segment. The wide range of services provided under the segment makes it the largest category.

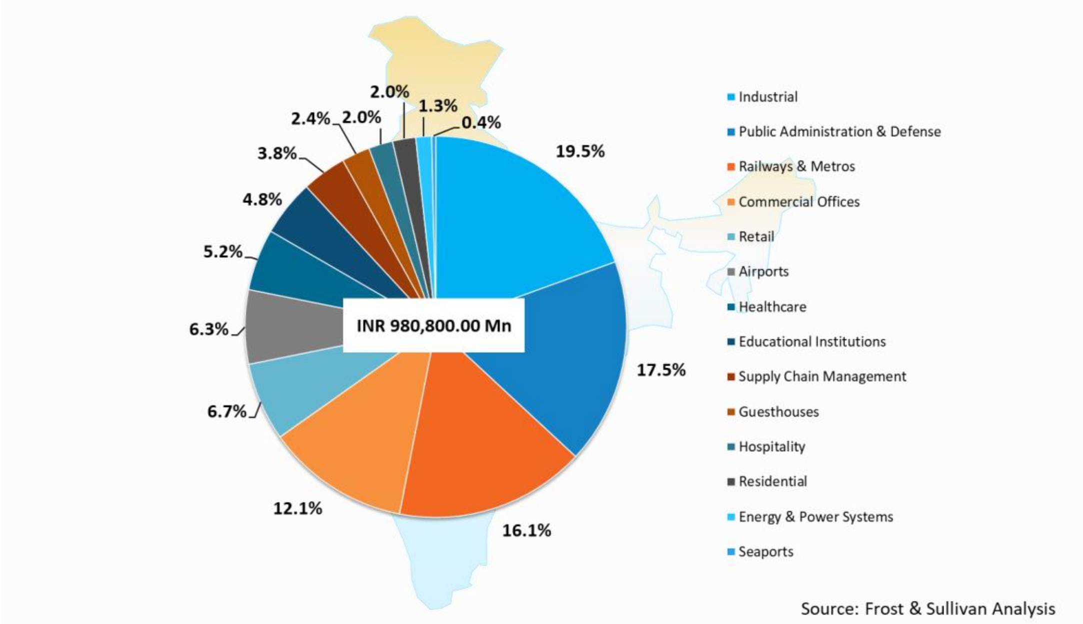
Exhibit: Outsourced Integrated Facility Management Market: Breakdown by Service Types, India, FY2023



Integrated Facility Management Market by End-user Segments

Industrial, Public Administration (State government entities, municipal bodies and other government offices), Defense, and Railways & Metros are the top three end user segments for Integrated Facilities Management Market in FY2023 with a combined market share of 53.1 %. Increase in outsourcing by government clients, investments in industrial and commercial real estate are the key factors that are expected to drive the demand from these segments in the forecast period. Other prominent end user segments in Integrated Facilities Management Market are Commercial Offices, Healthcare, Educational Institutions, Airports, Retail, and Residential segments.

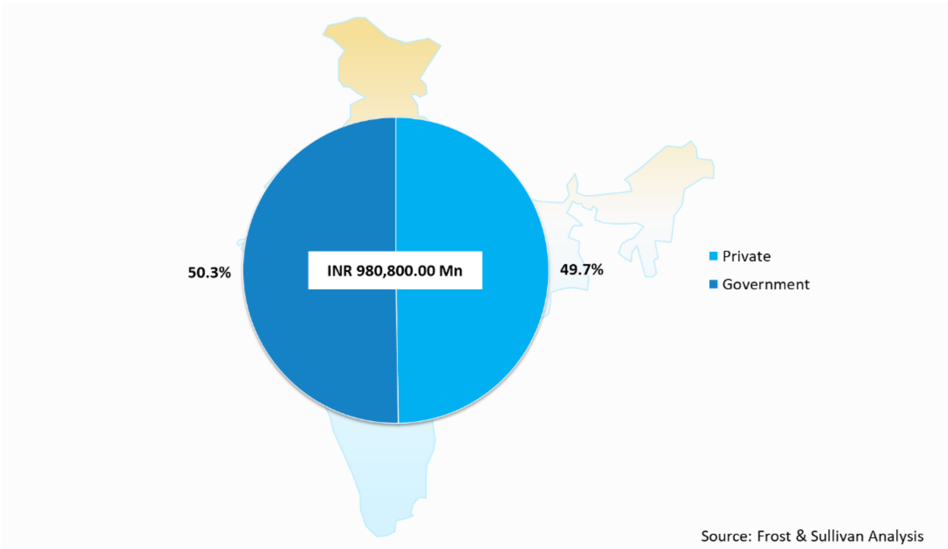
Exhibit: Outsourced Integrated Facility Management Market: Breakdown by End-user Segments, India, FY2023



Integrated Facility Management Market by Government versus Private

Government sector has a significant share in the Integrated Facilities Management Market and is driven by the Public Administration (State government entities, municipal bodies and other government offices), City Maintenance Services, Railways & Metros, Healthcare, and Educational Institutions.

Exhibit: Outsourced Integrated Facility Management Market: Breakdown by Government versus Private, India, FY2023



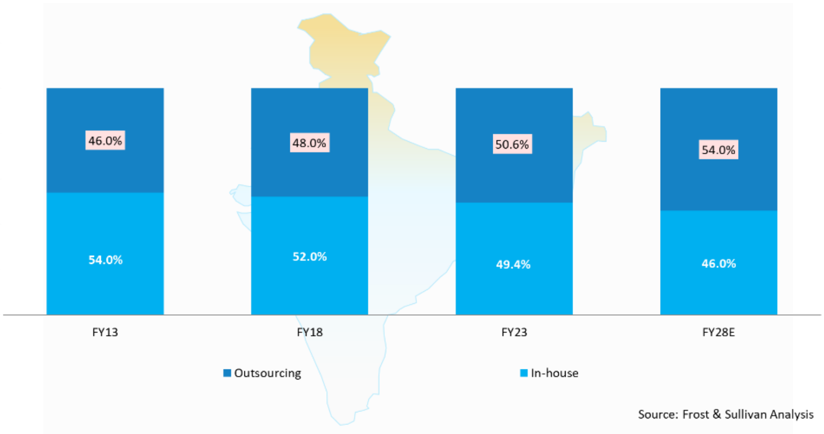
Key Market Characteristics

Outsourced versus In-house Market

Outsourcing of Facility Management Services has steadily grown in the past. The Integrated Facility Management outsourcing model, particularly for Soft Services, Mechanical, Electrical & Plumbing and Heating, Ventilation & Air-conditioning Services, has advanced significantly and can currently deliver additional value well beyond mere cost savings.

Today, outsourcing is a critical component of achieving desired performance and is successfully employed by forward-thinking companies to improve employee performance. It is anticipated that infrastructure projects and international organisations investing in India would continue to fuel demand for Facility Management services. Growing awareness among domestic companies, digitalisation of buildings, focus on sustainability and reduction in carbon emissions, and other building maintenance services are expected to widen the scope of Facility Management solutions in the future.

Exhibit: Total Integrated Facility Management Market: Outsourcing Trends, India, FY2013, FY2018, FY2023 and FY2028



Strategy, Cost, Functions and Environment are the major factors impacting the decision on Facility Management outsourcing.

- Strategic factors include core capabilities, critical knowledge, lack of internal resources/ manpower, and impact on quality & flexibility.
- Cost optimisation was the main motivation behind outsourcing Facility Management services a decade ago. But currently, it is about being able to free up in-house resources and allowing them to deliver strategic value associated with the core business services.
- Functional parameters are complexity, degree of integration, structure, and asset specificity.
- Environmental functions include the internal and external environment faced by companies.

Small businesses need Integrated Facility Management knowledge and assistance to reduce the costs and complexity of hiring an internal team. The ideal outsourcing "partner" will give a local, bespoke service supported by the knowledge and expertise of a professional service provider. Cost control and effectiveness are the priorities for larger organisations that have complicated real estate assets. Customers that are more progressive want the Integrated Facility Management services to assist them in creating a business environment where their service offerings are competitive. Obtaining a steady service benchmarked at the best price for the best result is their objective.

The most critical factors driving service outsourcing are:

- Optimisations and control over operational cost in built environment.
- Greater concentration on company’s core business activities/ free internal resources for core business purposes.
- Gain access to greater service quality.
- Risk distribution among stakeholders.

Exhibit: Total Integrated Facility Management Market: Outsourcing Rates by End User Segments, FY2018 and FY2023

End User Segments	Market Outsourcing Rate, FY2018	Market Outsourcing Rate, FY2023
Railways	92.4%	87.7%
Airports	72.6%	71.0%
Public Administration & Defense	59.3%	56.5%
Commercial Offices	57.8%	55.4%
Retail	50.9%	49.6%
Guesthouses	47.5%	45.0%
Educational Institutions	45.4%	43.2%
Healthcare	44.9%	42.0%
Supply Chain Management	44.0%	41.7%
Industrial	36.7%	34.8%
Hospitality	31.0%	29.2%
Residential	30.0%	27.5%
Seaports	15.0%	14.5%

Source: Frost & Sullivan Analysis

SWOT Analysis

Exhibit: SWOT Analysis, India, 2023

Attribute	Insights
Strengths	• Operational efficiency • Preventive maintenance leads to greater built environment experience • Large availability of manpower • Decades of industry experience • Access to technology • Ability to build partnerships with different stakeholders to customise client solutions • Cost optimisation and budget control
Weakness	• Budget constraints • Small scale of business operations leads to in-housing facility services • Presence of a large unorganised market
Opportunities	• Increasing investments in commercial real estate sector • Growing awareness on the benefits of outsourcing from government sector • Investments in infrastructure and industrial segments • Increase in sophistication of buildings leads to the higher need for professional companies to operate and maintain buildings • Anticipated investments in public infrastructure and government initiatives for smart and sustainable economic growth
Threats	• Original Equipment Manufacturer (OEM) companies providing operation and maintenance services. • Price as a preceding factor in vendor selection

Technology Trends

Technology is evolving at a rapid pace, and it is important for Integrated Facility Management companies to keep up to the evolving requirements. From wearables to artificial intelligence, new tools are emerging every day to help facility managers manage their responsibilities more effectively. The increase in internet and cloud connected devices has led to tools like mobile apps that enable facility managers to see what is happening with different systems in a building from anywhere (on- or off-site) and take actions or make changes with the press of a button. Increased connectivity is also providing facility managers the ability to quickly collect and analyse all sorts of building data. This data can be used to show which equipment will need proactive maintenance and when, or to predict and manage energy consumption in various parts of a facility. Some of the key technology trends which will have high impact on organised players include the following:

A. *IoT and Big Data Analytics:*

- IoT is used to connect all the sensors and devices, through building automation and to exchange and analyse information and optimise controls automatically. This would help in visibility and control over their assets.
- Installations could benefit from up to 25% energy savings through proactive energy management programs.
- Big Data analytics have evolved to assist the building technologies industry in providing personalised analytics to end users.
- IoT creates opportunities for service providers to offer improved support to end users.

B. *Remote Monitoring:*

- Building Information Modelling (BIM) is typically used in conjunction with cloud architecture for remote monitoring.
- This approach allows contractor participants to access and review building information remotely, further increasing the collaborative potential and efficiency gains.

C. *Cloud Solutions:*

- Facility Management Software which are cloud-based, brings in opportunities for the remote servicing of equipment and systems enabled by connectivity and helps to access from any location/any device.
- This trend is depicting a growing shift to meet the mobile needs of Facilities Management.
- Workers are on the move and in order to access systems and information online, facility managers are increasingly depending on mobile applications.

D. *Deployment of Artificial Intelligence and Robots in Integrated Facilities Management:*

- Assigning robots to complete complex cleaning and simple repair task helps to free up time.
- This shall enable to focus on strategic aspects of Integrated Facilities Management such as workplace management ensuring compliance, etc.
- Still at a nascent phase, implementation of Robotic solutions on smart cleaning and security & surveillance is yet to be explored fully in India.

E. *Enterprise Asset Management Systems:*

- These systems have all core asset management features to efficiently manage the buildings. This includes applications to schedule and monitor maintenance, leasing, capex planning, and overall customer experience.

F. *Computerised Maintenance Management Systems***:**

- This is a software that centralises maintenance information of assets/ facilities. This helps in optimising the utilisation of resources.

G. *Automated Facility Maintenance:*

- Unorganised work environment leads to complex situations leads to poor management and underutilisation of resources.
- Automation of the process makes everything easy to manage.
- These systems also help in automatically assigning tasks to employee and monitor his activities.
- Automation also helps in maintaining an organised work environment.

Industry Risks and Challenges

Despite its high growth prospects, the Indian Integrated Facility Management services market is facing a few challenges. One of the main issues the market is now dealing with is a lack of skilled and non-skilled manpower. After a project has been successfully contracted, the lead times for mobilising resources and workers have increased due to a lack of skilled personnel. Customers have been compelled to switch out long-term contracts for medium-term ones due to rising inflation and manpower costs. Medium- and short-term contracts are easier for many clients to keep up than long-term ones because the latter will result in price increases.

Exhibit: Industry Challenges, India, FY2023 – FY2028

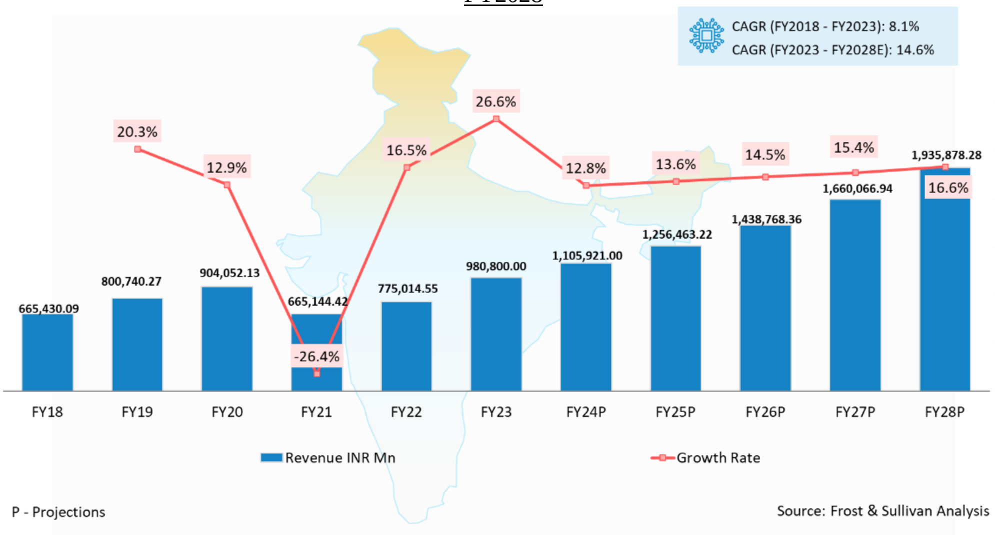
Industry Challenge	Description	Impact on Growth FY2023 – FY2028
Stiff competition	The market is highly competitive with the presence of large number of domestic and few international companies. It is also noted that some big domestic companies having principal business in real estate are entering into this market by forming a subsidiary, thereby increasing competition.	Medium to High
Retention of workforce	High attrition rate mainly because of high demand for quality manpower and competitive remuneration, is making it difficult to retain skilled workforce, especially in Soft Services segment.	Medium to High
Lack of market maturity	The Indian Integrated Facility Management Market lags in areas such as market maturity and appreciation for high standards of service delivery.	Medium
Price sensitivity	Customers are highly price sensitive, and this has resulted in increasing preference for companies who are non-compliant with regulations related to Provident Fund (PF), Employees' State Insurance Scheme (ESIC) etc.	Medium to High

Note: The above table is applicable for Hard and Soft Services (hard services does not include city maintenance services) only.

Outlook of the Outsourced Integrated Facility Management Services Market

Growing investments in end user segments such as Industrial, Commercial Offices, Airports, Railways, Healthcare, Education, Retail etc. are expected to drive the growth in the Outsourced Integrated Facility Management Market at a CAGR of 14.6% from FY2023 – FY2028 to reach INR 1,935,878.28 million.

Exhibit: Outsourced Integrated Facility Management Market: Historic and Forecast Revenue Trend, India, FY2018 – FY2028



Market Drivers

Exhibit: Market Drivers and Impact, India, FY2023 – FY2028

Market Drivers		Impact		
		1-2 Years	3-4 Years	5-7 Years
Growth in real estate sector	Increase in real estate stock has a direct implication on the growth of the Integrated Facilities Management Market. Regular investments in office, residential and retail segments lead to the rapid addition to India's real estate stock across commercial, residential, retail, industrial and warehousing.	High	High	High

	Demand for coworking spaces is increasing in India and the global pandemic has contributed to the growth of coworking/ flexible spaces in the past two years. With hybrid working models gaining prominence, the demand for flexible and coworking spaces is expected to increase as companies are uncertain about investing in permanent offices spaces. Flexible office spaces also allow companies to expand into smaller cities, adapt and stay competitive in a dynamic business environment.			
Operational benefits due to outsourcing Facility Management services	Integrated Facilities Management outsourcing saves the cost of operating and training staff, which is much higher compared to hiring a professional agency. It enhances flexibility in terms of availing the services as per the changing specifications. Outsourcing also helps in better utilization of time for other business activities.	High	High	High
Health and safety issues	Due to the recent COVID -19 situation, companies are getting even more cautious and preparing themselves for similar situations in the future, in terms of maintaining the health and hygiene of the facility. Companies are increasingly engaging professional Facility Management experts, majorly for integrated services. Increased awareness on maintaining indoor air quality, safety aspects related to fire audits, regular maintenance of fire safety systems, electrical equipment, and security devices are driving the need for outsourcing Integrated Facilities Management Services to experts.	Medium	High	High
Focus of Government initiatives such as Swachh Bharat Mission, Clean Cities, etc.	Government of India is expected to spend more on the maintenance of public infrastructure, such as municipal parks and government-run schools, increasing impetus provided to cleanliness in these facilities in the form of government initiatives. The key enabler for the growth of Facility Management Market would be the main objectives of the Swachh Bharat Mission – to clean the streets, to clean the roads and infrastructure of the statutory towns of the country. Facility Management players are capitalising on the opportunity and considering including waste management as one of the top offerings. Along with public infrastructure and government-run schools, railways, metros, and government hospitals are also expected to increase their outsourcing of Facility Management Services in the long-term, creating growth opportunities for service providers	Medium	Medium	High
Government focus on tourism industry, due to demand from hospitality industry	Travel and tourism are the segments that is receiving major boost in India. It is a necessity for the hospitality segment to provide the best services to visitors and guests to ensure a pleasant stay. Cleanliness and hygiene are necessary in hotels. This will open more business opportunities for Facility Management companies in the coming years. One of the key programs, Incredible India 2.0 is an international marketing tourism campaign run by India's Ministry of Tourism to promote tourism in the country.	Low	Medium	High
Increasing complexity of commercial buildings	Increasing complexity of commercial buildings is encouraging the involvement of professional maintenance services to increase the building's life span. Growth from the commercial segment is expected to be replicated in the growth of outsourced Integrated Facilities Management Services market revenue. With the emergence of innovative technology, engineering, administrative and regulatory compliances, the demand for professional Facility Management in commercial spaces will continue to grow.	Low	Medium	Medium
Energy conservation and optimum usage of	The significance of conserving energy is gradually picking up momentum due to rising energy costs, encouraging companies to hire professional Integrated Facilities Management Services for maintenance of	Low	Low	Medium

building solutions	energy intensive equipment. Integrated Facilities Management service providers are expected to play a key role in building sustainability as energy efficiency strategies gain prominence. Sustainability in Facility Management includes reduction of energy consumption. All the supporting services offered should be aimed at improving the sustainability of the customer.			

Market Restraints

Exhibit: Market Restraints and Impact, India, FY2023 – FY2028

Market Restraints		Impact		
		1-2 Years	**3-4 Years**	**5-7 Years**
Inflation leading to increase in management costs	Short-term contracts lead to competition and impact business continuity for Facility Management companies. High inflation costs and other critical factors are forcing customers to replace long-term contracts with medium-term ones. Many customers find it easier to maintain medium and short-term contracts than to maintain long-term ones, as the latter are prone to price increases because of surging inflation and labour costs.	High	High	High
Presence of large unorganised segment	Currently, the large, organised Facility Management comprises contributing to a small portion of the market. Ease of market entry led to huge chunk of unorganised competition. Many facilities are still not ready to hire a professional agency for cleaning. They either do it in-house or get it done through local agencies to provide housekeeping services. However, push for organised Facility Management services are also emerging from across business verticals, both in terms of demand and supply.	Medium	Medium	High
Adoption of technology still at nascent stage in India	In India there is a huge gap between understanding and adopting technologies. Many businesses have in-house cloud computing and IoT systems; however, it is not incorporated into the Integrated Facilities Management ecosystem. Transition from conventional office layouts to a modern set up is still in infancy stage. Despite Facility Management playing a key role in operations, enterprises are unaware of the various evolving solutions. Also, there is a challenge in integration of Facility Management with the existing Enterprise Resource Planning (ERP) system. When failures occur, prompt actions are required to maintain access and ensure security which is possible only through remote monitoring and other technology tools.	Low	Medium	Medium
Safety Equipment cost and hygienic cost exceeding the initial cost of services	Facility Management workers need to be provided with proper protective equipment, temporary accommodation, and hygiene support and their safety must be taken care of as well. Similarly, there is risk of sending back employees to their houses. Integrated Facilities Management companies are forced to arrange for temporary accommodation for the employees. Also, there is a need for contactless cleaning and involvement of other technological intervention which will eventually increase the overall cost of services.	Low	Medium	Medium
Heavy workload and difficulty in managing client expectation	Workers must undertake deep cleaning of complexes almost every second or third day, in addition to the regular hygiene measures, resulting in their work almost doubling. Similarly, the manpower requirement is backed by increased demand for disinfection and cleaning services in the corporate	Low	Low	Medium

	environment. The Facility Management companies are witnessing a 20% surge in fresh hires every month.			

Source: Frost & Sullivan Analysis

Outlook of Key End User Segments

Industrial, Public Administration (State government entities, municipal bodies and other government offices), Railways & Metros, Commercial Offices, Retail, Airports, Healthcare, and Educational Institutions are the top end user segments that are anticipated to drive the demand for Integrated Facility Management during the forecast period. These eight segments account for 88.1% of the total Outsourced Integrated Facility Management Market in FY2023.

Industrial/Manufacturing Segment: Special Economic Zones (SEZ) are a key element expected to fuel India's economic expansion. Special economic zones are regions that have been geographically designated to encourage investments, export-oriented industry, and to make doing business easier. Businesses in these regions benefit from unique regulatory and financial advantages, including tax exemptions, duty-free exports, and investments in infrastructure, among others. The Indian government is shifting its attention to domestic markets and manufacturing with the passage of the Development Enterprise and Services Hub (DESH) Bill 2022 and by upgrading the special economic zones to become World Trade Organisation (WTO) compliant. By incorporating several economic zone types, such as special economic zones, coastal economic zones, and food and agriculture economic zones, the law is anticipated to bring about a paradigm change. Investments in this segment and shifting focus towards operational efficiency and compliance are expected to lead to high outsourcing of maintenance activities from the segment. This would create growth opportunities for Facility Management service providers in the long-term.

Commercial Offices Segment: Rapid urbanisation, growth in tourism and service sectors are driving the demand for commercial spaces in India. Increasing high-rise buildings and shared spaces are the current trends in the Commercial Office segment and these are expected to drive the demand for Facility Management services in this segment. New project completions in CY2022 were 58.3 million square feet, recording a year-on-year growth of 27.9%. The institutional investments in office assets were USD 1,927 million in January – June 2023, up by 82.5 % from the same period last year.

Railways: India has the fourth-largest railway system in the world, followed by the USA, Russia, and China. As of January 2023, the Indian Railways had 13,523 passenger trains and 9,146 freight trains. Under the Union Budget 2023-24, a capital outlay of INR 2,400 billion (USD 29 billion) has been allocated to the Ministry of Railways. Exponential rise in passenger and freight traffic is expected to be a key driver for investments in assets in the Railways segment. Railway passenger traffic is projected to reach around 12 billion per year by 2031 and freight traffic is expected to cross 8,220 million tons by 2031. Six high-speed and high-capacity freight corridors are expected to be development over the next ten years. Government initiatives such as the railway electrification and diamond quadrilateral network of high-speed rail to connect major metros and business centers in India are expected to drive the growth opportunities for Facility Management services. Metro Rails are also playing a pivotal role in enhancing quality of life and economic growth of the cities in India. Around 874 kilometers of metro railway network was operational across 15 cities in India as of 2022. Metro Rail projects in Bengaluru, Chennai, Delhi, Mumbai, Kanpur, Pune, Noida, Lucknow, Kolkata, Kochi, Jaipur, Hyderabad etc., are under development and once completed would provide growth opportunities for Facility Management service providers. Manpower shortages, specialized skill sets required to maintain these systems and government's focus to enhance operational efficiency and customer experience are expected to drive the outsourcing of Facility Management services in Railways and Metro segment, which would create tremendous growth potential for Integrated Facility Management solution providers.

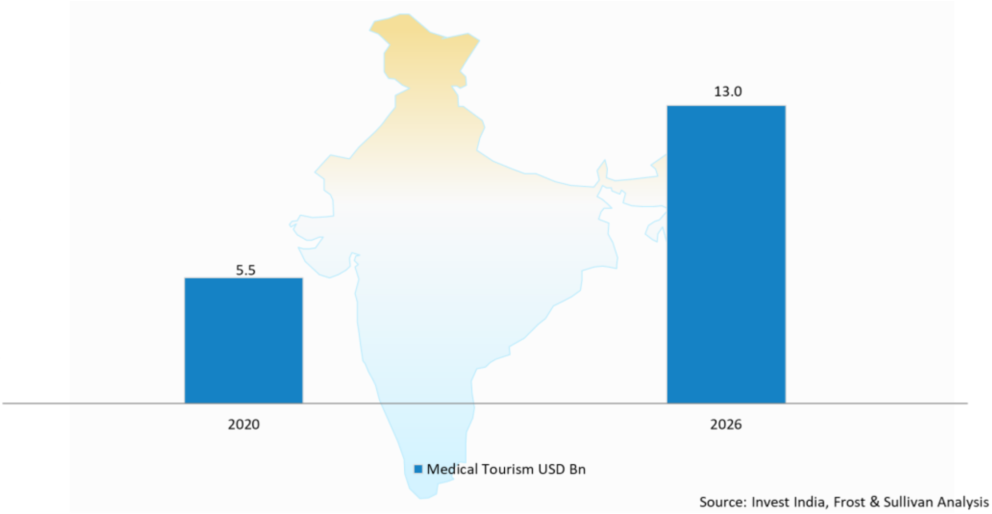
Healthcare Segment: This consists of hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance and medical equipment. The Indian Healthcare sector is one of the key contributors to the economy and is growing at a steady rate due to its strong coverage, diverse services, and increasing expenditure by public as well private players.

The Healthcare market in India is being driven by the rising prevalence of lifestyle diseases, increasing demand for affordable healthcare delivery systems due to rising healthcare costs, technological advancements, the emergence of telemedicine, rapid health insurance penetration, government initiatives like e-health, along with tax benefits and incentives.

The low cost of healthcare has led to an increase in medical tourism in the nation, drawing people from all over the world. Further, due to its relatively low cost of clinical research, India has become a centre for research & development activity for foreign businesses.

Favorable investment policies such as the 100% FDI in construction of hospitals under the automatic route and 100% FDI in greenfield projects under the automatic route have attracted significant investments. Around USD 8.7 billion investments have been received in hospitals and diagnostic centers from April 2000 to March 2023. Investments in healthcare infrastructure are anticipated to drive the demand for Integrated Facility Management services over the forecast period. Outsourcing rates are also expected to improve in this segment driven by the need for specialized skills, compliance and to ensure high-quality environment for patient care.

Exhibit: Medical Tourism Market, 2020 & 2026, India



Educational Institutions Segment: India's Education industry is among the largest in the world and plays a significant role in balancing the socio-economic attribute of the nation. India's Educational industry is vast and diverse, with institutions established to service the educational needs of each age band, covering the preschool period, the K-12 school years, and higher education and research. E-learning is an emerging segment that witnessed exponential growth in the past couple of years due to the COVID-19 pandemic. Between April 2000 and March 2023, the industry received equity FDI of USD 9.2 billion. Government initiative such as the 100% foreign investments in Educational segment, Revitalising Infrastructure and System in Education (RISE), Education Quality Upgradation and Inclusion Programme (EQUIP) and National Educational Policy 2020 are all expected to bridge the gap in infrastructural demand, particularly in the government sector. With the increase in infrastructure assets and technology adoption in the Education segment, the demand for Facility Management services would increase in the long-term. Sophistication of assets in the segment is expected to drive the outsourcing of Facility Management, creating opportunities for service providers.

Airport Segment: The government of India announced that 100 additional airports would be developed in the country by 2024 under the Ude Desh ka Aam Naagrik (UDAN) program.

Ude Desh ka Aam Naagrik (UDAN) or Regional Connectivity Scheme (RCS): UDAN-RCS is a regional airport development program of the Government of India, with the goal of letting the common citizen of the country fly, to boost inclusive national economic development, job growth, and air transport infrastructure development of all regions and states of the country.

The UDAN program aims to provide connectivity to the country's under-served and un-served airports by revitalising existing airstrips and airports. It would result in a win-win result for all stakeholders involved by improving affordability, increasing connectivity, and providing more jobs. Under the program, Government intends to create additional routes and more passengers for incumbent airlines, while there was the possibility of fresh, scalable business for start-up airlines.

According to rating agency Investment Information and Credit Rating Agency (ICRA), the number of new RCS routes that began operations grew at a healthy rate, reaching 395 and 425 routes in FY2021 and FY2022, respectively. The central government spent a total of INR 26.1 billion on the UDAN scheme up to June 2022.

*NextGen Airports for Bharat (NABH)***:** The government unveiled a new initiative in February 2018, called Nextgen Airports for Bharat Nirman, under which it plans to increase airport capacity in the country by more than fivefold to handle a billion trips each year. The three most important features of NABH Nirman are:

- Land acquisition that is fair and equitable
- A long-term master plan for airport and regional development
- Economics that is balanced for all stakeholders.

Exhibit: Upcoming Domestic Airport Projects, India, FY2023

Name of the Airport	Area	Project Cost	Probable Date of Completion
Patna Airport	Construction of New Domestic Terminal Building and other structures (Phase I and II)	INR 12.17 billion	2024
Dholera, Gujarat	Development of New Greenfield Airport	INR 13.05 billion	2025
Chennai International Airport, Chennai	Modernisation of Chennai Airport, Phase II	INR 24.67 billion	Part 1: 2023 Part 2: 2025

Source: Annual Report of MoCA 2022-2023 (civilaviation.gov.in)

Privatisation of Airports: Government of India is privatising airports in India to improve their operational efficiency, boost infrastructure development and to provide world-class services on par with international standards. The government is expected to privatise 20 - 25 airports in India between 2022 and 2025 under the National Monetisation Pipeline, across Tier 1, Tier 2 and Tier 3 cities across India. This privatisation effort is expected to increase the outsourcing of airport management services and drive the business potential for Integrated Facilities Management Market during the forecast period.

Government Sector Outsourcing: The government sector is expected to provide high growth opportunities for Facilities Management in the long-term. The Outsourced Integrated Facilities Management Market opportunity from the government sector in FY2023 stood at INR 492,948.80 million and is expected to grow at a CAGR of 16.3% from FY2023 – FY2028 to reach INR 1,047,310.15 million. The key segments contributing to this opportunity are Industrial, Public Administration (State government entities, municipal bodies and other government offices), Airports, Educational Institutions, Healthcare, and Railways & Metros.

Competitive Landscape

Competitive Structure

Indian Integrated Facilities Management Market is highly fragmented with close to 400 - 500 companies operating across the country. There are around 6 large companies comprising of Tier 1 category and have their presence across geographies and control about 9.4% of the total market. Tier 1 companies have country-wide presence and serve almost all the end-user segments and have a vast client base. Around 60 - 70 companies belong to Tier 2 and have regional presence while more than 400 companies belong to Tier 3 category and operate in a small geographic zone, for example a single city or town. The market also witnesses the presence of both international and domestic companies. International companies sub-contract majority of their services to gain access to various markets, manpower and customers in the region.

Exhibit: Integrated Facility Management Market: Key Competitive Insights, India, FY2023

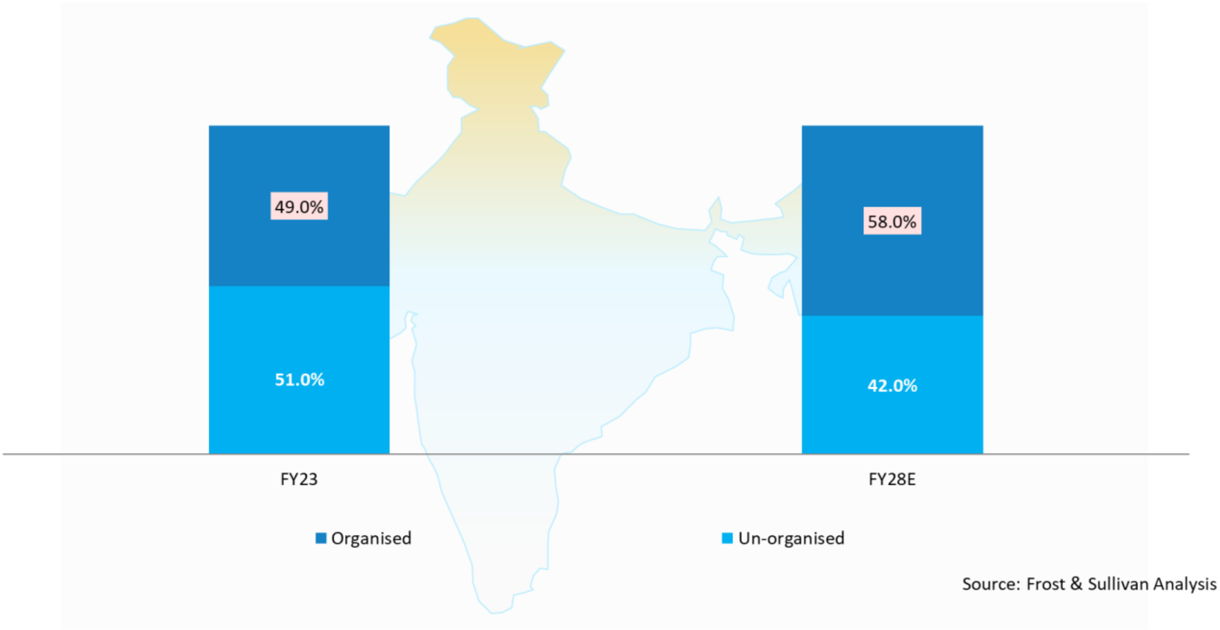
Attributes	Integrated Facilities Management Market
Number of Companies	• Close to 500
Major Market Participants	• Sodexo Facilities Management Services • SIS Limited • Quess Corp • BVG • Updater Services India Limited (UDS)

	• Re Sustainability
Other Notable Market Participants	• Krystal • Compass India Support Services • ISS Facility Services • Rentokil Initial • Anthony Waste
Facility Management Consultants/ Managing Agents	• JLL • CBRE • Knight Frank • Cushman & Wakefield • Others • The above companies sub-contract Facility Management projects to companies like BVG etc.
Key Competitive Factors	• Local market knowledge. • Retention of skilled workforce. • Statutory compliance. • Brand reputation. • Financial strength. • Ability to adopt advanced technologies. • Preventive maintenance techniques. • Ability to integrate end-to-end manpower & business services bouquet catering to entire range of customer's requirements. • Value-added services. • Customer retention: In Integrated Facilities Management business, the most common form of contract is annual and therefore companies with the ability to retain clients have a competitive advantage.

Integrated Facilities Management Market in India is highly fragmented and unorganized. Small and medium-sized companies dominate majority of the market. Driven by the need for an organised approach and demand for professional Integrated Facilities Management Services, there is an on-going shift in the market towards consolidation. This is also an outcome of increase in customer awareness about the risks associated with unorganized service providers that are not compliant with the quality and safety standards.

The competitive structure within the government segment is more organised than the total market. Major service providers to the government sector for Integrated Facilities Management Services in India are Sodexo, BVG, SIS Limited and Krystal. The government sector is prioritizing quality and service delivery for their clients and in order to achieve higher customer satisfaction, the sector is seeking out professional companies for Facilities Management. There is growing awareness about service level agreements (SLA) among the large customers since service level agreements are output-based in which their purpose is specifically defined on what the customer will receive. Key selection criteria for shortlisting companies in the government sector are industry experience, ability to serve large government contracts, capability to service multiple client locations under a single contract, and service quality among others.

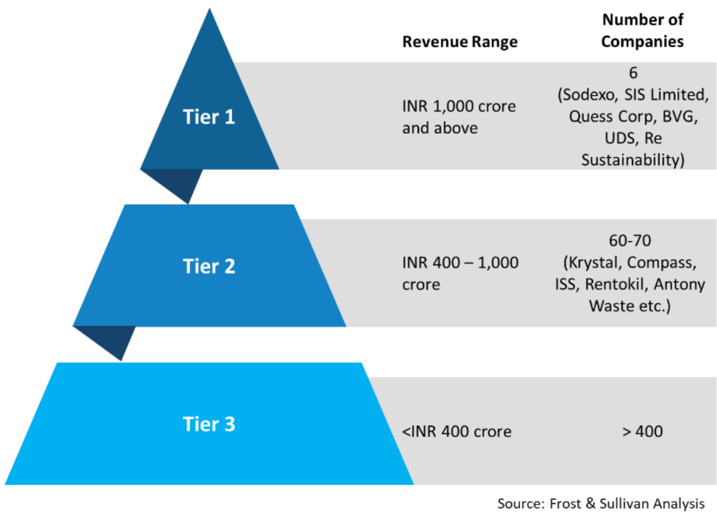
Exhibit: Outsourced Integrated Facilities Management Market: Segmentation by Organised versus Un-organised Segment, India, FY2023 & FY2028 (Percentage)



Note: Organised segment consists of companies that are regulatory and tax compliant. Unorganised segment companies are not compliant with regulatory and tax requirements.

Capital expenditure, compliance, capability expansion etc. are some of the critical challenges faced by small and regional companies to scale up their businesses. The introduction of Goods and Services Tax (GST) in India is expected to bring in transparency, where clients are expected to use formal banking channels to pay for their services and manpower requirements, which would again enable growth of the organised segment.

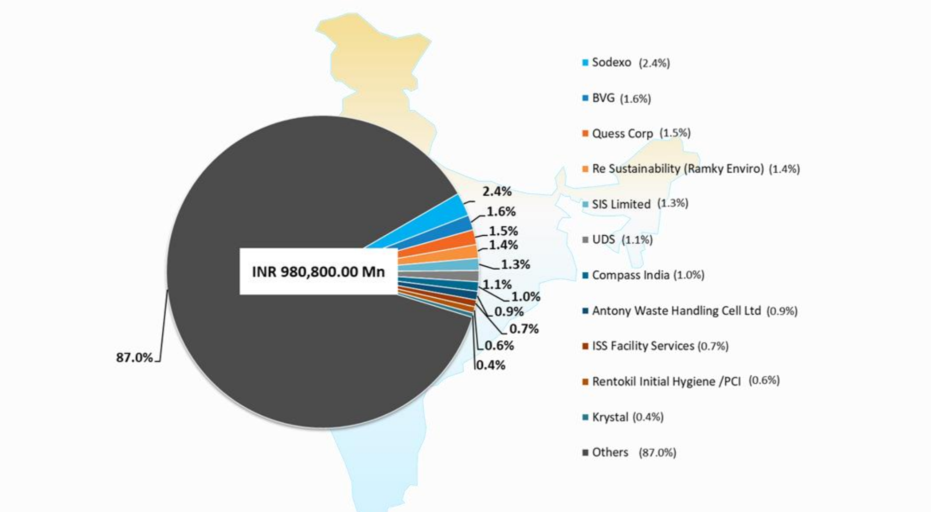
<u>Exhibit: Outsourced Integrated Facility Management Market: Competitive Structure, India, FY2023</u>



In addition to this, the growing demand for integrated and single contact for all facility maintenance services, energy efficiency, stringent quality and compliance standards, and the increased need for mechanised cleaning, is anticipated to drive demand for organised Integrated Facilities Management, which is expected to result in market consolidation. This would amplify the growth opportunities for organised service providers such as Sodexo, Quess Corp, SIS Limited, BVG, UDS, ISS, Krystal etc.

Market Share Analysis

<u>Exhibit: Outsourced Integrated Facilities Management Market: Market Share Analysis, FY2023, India</u>



Others include Impressions, OCS Group, CRCL, Proodle etc.   Source: Frost & Sullivan Analysis

The top four companies in the Integrated Facilities Management Market are Sodexo, BVG, Quess Corp, and SIS Limited*. They have a combined market share of 6.8% of the total market in FY2023.

* *Re Sustainability, is not included in the above positioning analysis, as they are predominantly waste management solutions provider/ single service solution providers and do not offer soft services and hard services.*

Krsytal is the eighth largest player in the Integrated Facilities Management Market in FY2023 in terms of revenues as on March 2023.*

* *Re Sustainability, Anthony Waste, and Rentokil are not included in the above positioning analysis, as they are predominantly water and wastewater treatment solutions provider/ waste management solutions provider/ single service solution providers and do not offer soft services and hard services.*

The company has a diversified business offering ranging from Integrated Facilities Management such as Soft Services, Hard Services, City Maintenance Services, Warehouse Management Services, Airport Management Services etc., to Staffing Services and Manned Guarding Services. It is one of the leading Integrated Facilities Management Services companies, with a focus on Healthcare, Education, Public Administration (State government entities, municipal bodies and other government offices), Airports, Railways & Metro Infrastructure and Retail sectors. They provide a comprehensive range of Integrated Facility Management service offerings across multiple sectors and consequently are among the select companies in India that have a wide geographic presence and customer base, catering to almost all end user segments, as on March 31, 2023. Krystal is among the few integrated services companies that provide Facility Management services to commercial complexes and shopping malls across the country. Krystal’s strengths in the market include their ability to provide bespoke solutions for Integrated Facility Management requirements, sourcing from OEMs at competitive prices due to excellent long-term relations, best-in-class products, and adoption of smart technology. They are a key solutions provider to the government sector and have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. They also have a strong track record of high employee satisfaction and improving retention rates. Krystal is also among the league of the fastest growing Integrated Facility Management companies in India, registering a CAGR of 22.5% in terms of revenue growth during FY2021 – FY2023. Krystal’s financial performance in FY2022 was better than most of their peers, who had been impacted by COVID-19.

Growing investments in end user segments, increasing outsourcing from government sector, widening scope of facility services are all expected to favour the business growth of the organised companies in Integrated Facilities Management Market in the long-term. All major companies are equipping themselves to capitalise on this growth opportunity by adopting technology, enhancing skills and service delivery, focusing on customer experience among others.

Key Financial Metrics

Exhibit: Outsourced Integrated Facilities Management Market: Financial Information of Major Companies, India, FY2022

Company Name	**Revenues from Operations, INR Mn, FY2022**	**EBITDA Margin, FY2022**	**Return on Capital Employed, FY2022**	**Return on Equity, FY2022**	**Working Capital Days, FY2022**	**Net Debt/EBITDA, FY2022**
Sodexo	20,087.67	3.17%	12.95%	15.45%	40.51	5.54
SIS Limited	100,590.76	4.98%	14.85%	15.71%	23.66	4.22
Quess Corp	136,917.80	4.59%	14.31%	9.77%	19.38	3.80
BVG	20,309.19.00	14.25%	26.88%	13.37%	116.94	3.18
UDS	14,835.52	5.27%	15.40%	16.59%	30.60	5.10
Compass India^	3,711.00	-1.05%	-1.89%	-0.08%	101.14	61.33
ISS Facility Services	8,884.35	2.90%	10.06%	9.30%	90.05	0.82
Krystal	5,526.76	8.22%	25.03%	17.37%	51.0	0.85

^Compass financial ratios represent Compass Group's Facility Management business only, managed under the name Compass India Support Services.
Re Sustainability, Anthony Waste, and Rentokil are not included in the above financial analysis, as they are predominantly water and wastewater treatment solutions provider/ waste management solutions provider/ single service solution providers and do not offer soft services and hard services.
For financial ratios, FY2022 is used as this was the latest common year for which financial statements were available for all companies.
EBITDA margin is calculated as profit before tax + finance cost + depreciation & amortization – other income /revenue from operations.
Return on capital employed is calculated as earnings before income and tax (EBIT)/ (total assets - current liabilities).
Return on equity is calculated as net income or PAT/shareholders' fund.
*Working capital days is calculated as (current assets – current liabilities) * 365/ revenue from operations.*
Net Debt is calculated as Total Liabilities – Cash and Cash Equivalents
EBITDA is profit before tax + finance cost + depreciation & amortisation
EBITDA, ROCE, ROE, and Working Capital Days are calculated based on overall company revenues and not from segmental revenues.
Companies are listed in the order of revenues from Integrated Facilities Management business for FY2023
Source: Company Annual Reports

Exhibit: Outsourced Integrated Facilities Management Market: Financial Information of Major Companies, India, FY2023

Company Name	Revenue from Operations, IN Mn, FY2023	Revenue CAGR, FY21 – FY23	PAT CAGR, FY21 – FY23	EBITDA Margin, FY2023	Return on Capital Employed, FY2023	Return on Equity, FY2023	Working Capital Days, FY2023	Net Debt/EBITDA, FY2023
Sodexo	24,607.43	21.39%	NA	NA	NA	NA	NA	NA
SIS Limited	113,457.80	11.49%	-2.86%	4.42%	11.58%	14.85%	31.64	5.08
Quess Corp	171,583.87	25.83%	73.93%	3.73%	11.66%	8.16%	15.82	4.43
BVG	23,097.03	17.85%	17.92%	12.78%	23.15%	12.37%	124.58	2.81
UDS	21,300.00	32.68%	NA	4.41%	7.07%	5.50%	41.42	11.68
Compass India^	4,267.65	12.90%	NA	NA	NA	NA	NA	NA
ISS Facility Services	9,994.95	6.29%	NA	NA	NA	NA	NA	NA
Krystal	7,076.36	22.54%	51.17%	7.70%	28.82%	23.18%	25.0	0.00

^Compass financial ratios represent Compass Group's Facility Management business only, managed under the name Compass India Support Services

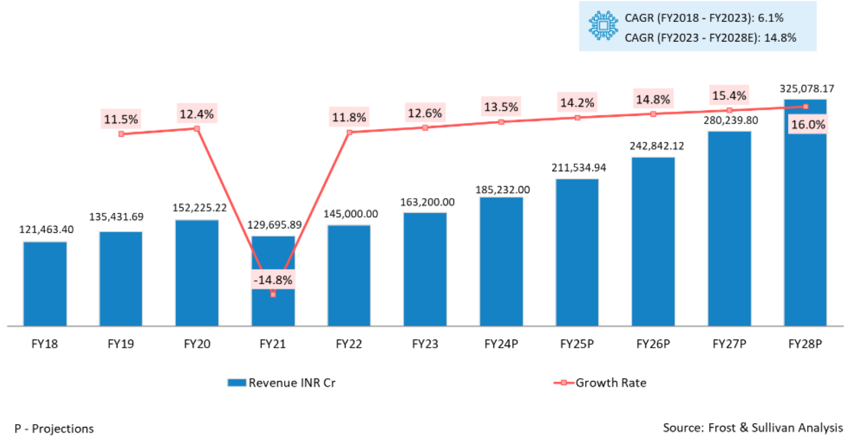
Re Sustainability, Anthony Waste, and Rentokil are not included in the above financial analysis, as they are predominantly water and wastewater treatment solutions provider/ waste management solutions provider/ single service solution providers and do not offer soft services and hard services.
EBITDA, ROCE, ROE, and Working Capital Days are calculated based on overall company revenues and not from segmental revenues.
Companies are listed in the order of revenues from Integrated Facilities Management business for FY2023
NA – Not Available
Source: Company Annual Reports

OVERVIEW OF SOFT SERVICES MARKET IN INDIA

Market Size and Revenue Trend

Soft Services segment was estimated at INR 163,200.0 million in FY2023 and has recorded at CAGR of 6.1% from FY2018 – FY2023. COVID-19 impact on the Soft Services segment is estimated to be de-growth of 14.8% in FY2021.

Exhibit: Outsourced Soft Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India

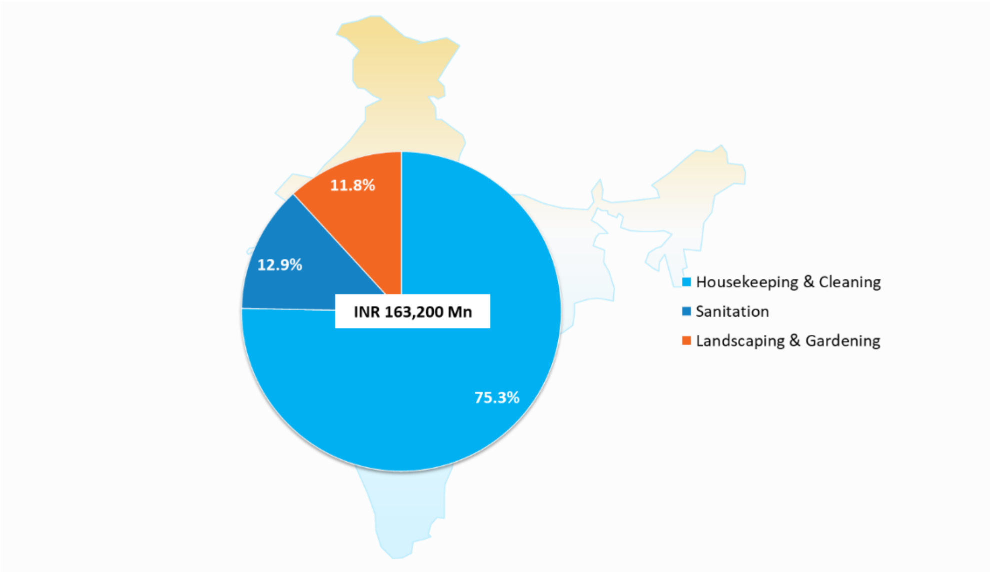


Indian Commercial Office segment witnessed strong recovery in terms of resuming work from office in the past year. This resulted in a high growth in Housekeeping/ Cleaning and Disinfection Services demand. With the ongoing trend of hybrid work model, the demand for these services from the Offices segment is anticipated to remain high in the forecast period. Based on the analysis of market growth enablers and investments in key end user segments, the market is expected to reach INR 325,078.17 million by FY2028, recording a CAGR of 14.8%.

Market Segmentation by Services

Housekeeping/ Cleaning / Janitorial services are the largest contributors in Soft Services segment with a market share of 75.3% and this segment is expected to maintain its domineering position during the forecast period.

Exhibit: Outsourced Soft Services Market: Segmentation by Service Types, FY2023, India



Source: Frost & Sullivan Analysis

Housekeeping/ Cleaning Services

Growing importance for clean and hygienic workplaces are driving the demand for housekeeping/ cleaning services. A hygienic business environment increases concentration and boosts productivity by reducing stress and fear, particularly during pandemics like the COVID-19. Housekeeping/ cleaning service delivery has evolved in the past by adopting technological solutions. Lots of innovations in cleaning tools and machines have assisted human resources to achieve excellent service delivery in terms of quality and has enhanced productivity among the field workers.

Sanitation Services

Workplace hygiene received greatest attention during the pandemic and as a result commercial offices across sectors created high demand for Sanitation services in the past couple of years. Sanitation services demand from Commercial segment is expected to remain high during the forecast period. Demand from other segments such as Hospitals, Retail, Hospitality, and Industrial segments are also expected to be high for Sanitation services as they have started 100% operations and are wanting to maintain high standards for hygiene to prevent infection.

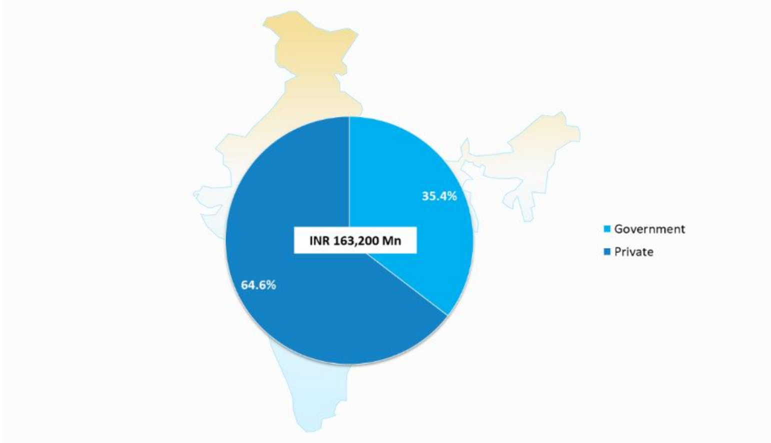
Landscaping & Gardening Services

Increasing per capita income, changing and progressive lifestyle have resulted in high growth for Landscaping and Gardening Services in India. Aesthetically appealing landscaping is being desired across all premium projects across Commercial and Residential segments. Rapid urbanisation and industrialisation have led to the increasing boom in malls, green corridors, amusement parks, commercial offices and residential townships, that are seeking landscaping services.

Market Segmentation by Government versus Private

Soft Services segment is dominated by the private sector with a share of 64.6% of the total market in FY2023. Commercial Offices, Healthcare, Industrial, Airports, and Residential segments are the key contributors of the Soft Services demand across private and government segments.

Exhibit: Outsourced Soft Services Market: Segmentation by Government versus Private, FY2023, India



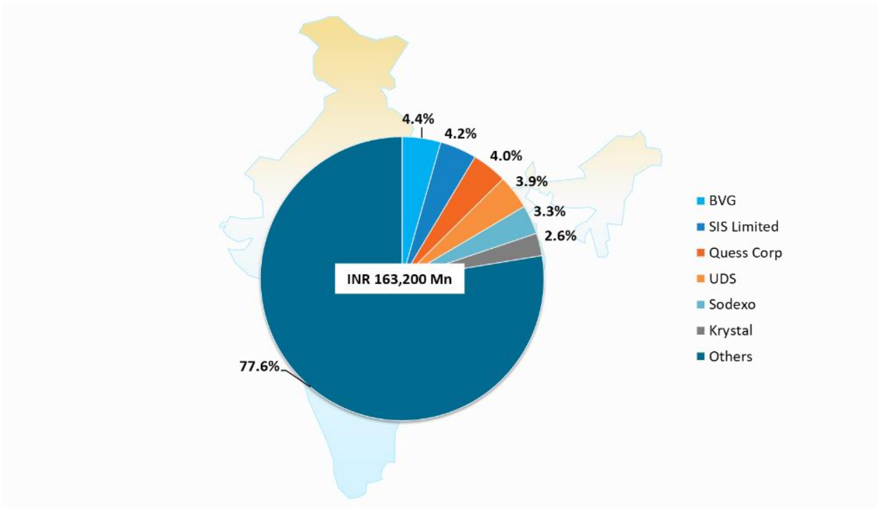
Source: Frost & Sullivan Analysis

Competition Overview and Market Share Analysis

Most of the Integrated Facilities Management companies provide Soft Services across India, and the top five companies in this segment are BVG, SIS Limited, Quess Corp, UDS, and Sodexo. These five companies account for a combined share of 19.8% of the total market in FY2023.

Soft Services is extremely fragmented in India with the market leader BVG having a share of 4.4% of the total market in FY2023. Krystal is the sixth largest Soft Services company with a market share of 2.6% in FY2023.

Exhibit: Outsourced Soft Services Market: Market Share Analysis, FY2023, India



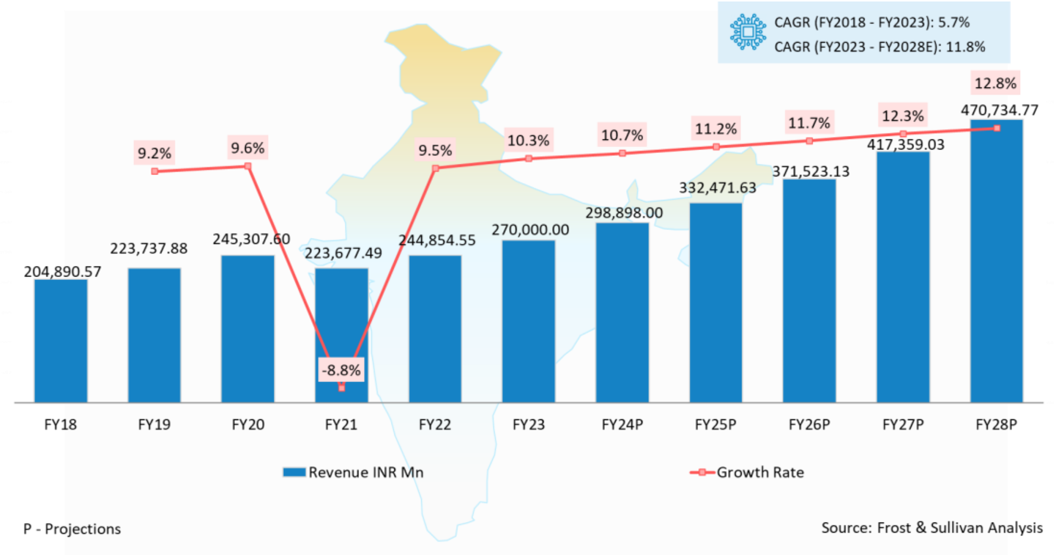
Others include ISS Facilities, Compass India, Impressions, OCS Group etc. Source: Frost & Sullivan Analysis

OVERVIEW OF HARD SERVICES MARKET IN INDIA

Market Size and Revenue Trend

Hard Services segment was estimated at INR 270,000.00 million in FY2023 and has recorded at CAGR of 5.7% from FY2018 – FY2023. COVID-19 impact on the Hard Services segment is estimated to be de-growth of 8.8% in FY2021. Investments in end user segments, growing importance of energy efficiency, net zero and lowering carbon emissions are expected to broaden the scope of Heating, Ventilation & Air-conditioning services within Hard Services and this would be a key growth driver during the forecast period. Sustainability Development Goals and initiatives to achieve this target would be a key enabler for the City Maintenance Services segment in the long-term. The Hard Services Market is expected to reach INR 470,734.77 million by FY2028, recording a CAGR of 11.8%.

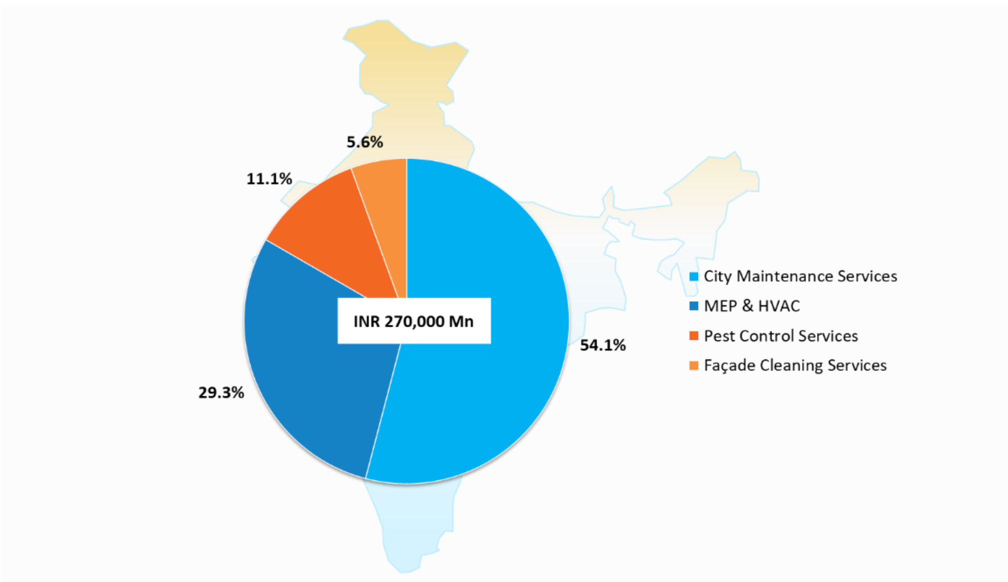
Exhibit: Outsourced Hard Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Market Segmentation by Services

City Maintenance Services are the largest with the Hard Services segment with a share of 54.1% of the total market in FY2023. Mechanical, Electrical & Plumbing services including Heating, Ventilation & Air-conditioning were the most predominant solutions provided under Hard Services historically. However, in the past decade the segment has evolved to include diverse range of services were provided to adopt to the evolving built environment that includes fire, smoke, and carbon monoxide detection systems, automated firefighting/fire suppression systems, extra-low voltage / low voltage, and medium voltage systems, such as building automation system, security systems (access control, CCTV), lighting control systems, power distribution, switchgears, generators, transformers, lightning protection, data and voice cabling etc. This widens the scope of services provided and thereby opportunities under Hard Services.

Exhibit: Outsourced Hard Services Market: Segmentation by Service Types, FY2023, India



Source: Frost & Sullivan Analysis

City Maintenance Services

Municipal Wastewater (Sewage) Treatment Solutions:

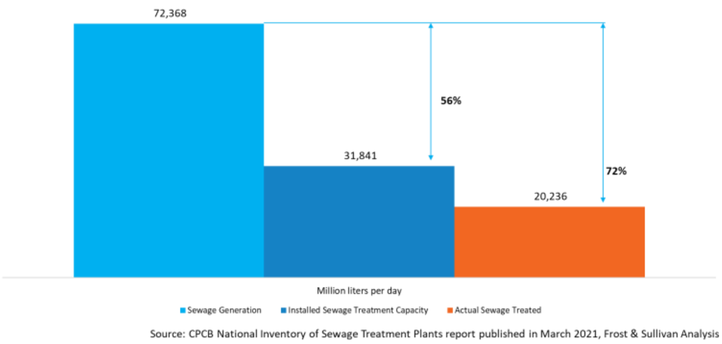
The Indian Municipal Wastewater Treatment Solutions Market is in the growth stage driven by rapid urbanisation and associated economic activities, and groundwater depletion will contribute to market growth in the coming years. The market is switching gears from price to value. With more private participation, the number of build, operate, transfer (BOT) and build, own, operate, and transfer (BOOT) projects spanning 15 to 30 years is on the rise. These projects reshape the market landscape from price-driven to value and performance oriented. Public-private partnerships (PPP) in the municipal segment offer a solution in which private companies, municipalities, and consumers benefit. Private companies receive business opportunities to design and deliver innovative solutions, while municipalities and consumers benefit from improved efficiencies and effectiveness through innovation, responsibility-sharing, and financing.
Key factors driving the growth in the Municipal Wastewater Treatment Solutions Market are favourable government policies, aging infrastructure and low operational efficiency, and limited wastewater network coverage and treatment infrastructure.

Government policies and initiatives: With water becoming a scarce commodity, the Indian government develops water policies and undertakes initiatives to reduce water stress. It established the National Water Mission (NWM) in 2011 to ensure that a considerable share of industrial water demand is met through recycling effluents and domestic sewage. The government has initiated the rejuvenation of national rivers, such as the Ganga and Yamuna, with Namami Gange and the National River Conservation Plan (NRCP). It also strives for sustainability through Swachh Bharat Mission, Jal Jeevan Mission, and National Smart Cities Mission, which would create demand for wastewater treatment equipment. Under the national infrastructure pipeline (NIP), INR 9.4 trillion worth of water and wastewater treatment projects are expected to be implemented as of July 2023 by the Government of India.

Aging infrastructure and low operational efficiency: India have long followed a build-neglect-rebuild approach in its wastewater infrastructure, resulting in suboptimal operations. India has a sewage treatment installed capacity of 31,841 million litres per day as of 2021 and about 4,972 million litres per day is non-operational. The inability to retrofit and replace wastewater treatment plants because of tight budgets has led to poor performance in existing infrastructure. With municipal corporations and urban local bodies lacking the necessary workforce for plant operation & maintenance, the retrofit and operation & maintenance of existing sewage treatment plants present growth opportunities for water and wastewater treatment solution providers.

Limited wastewater network coverage and treatment infrastructure: Domestic sewage treatment in urban areas is insufficient, with only 28% of generated wastewater undergoing treatment in urban India as per a Central Pollution Control Board (CPCB) report titled National Inventory of Sewage Treatment Plants published in March 2021. CPCB has identified highly polluted river stretches to be in and around large urban areas. Growth opportunities to build wastewater treatment capacity exist, especially for wastewater recycling and reuse for applications such as process water, landscaping, and toilet flushing.

<u>Exhibit: Sewage Generation and Treatment Capacity, Urban India, 2020</u>



Note: the % values indicate the gap in treatment capacity; This is the most recent, published, government and credible source available.

New business models are further driving market growth. Municipal corporations/ urban local bodies (ULB) have been procuring projects through a hybrid annuity model (HAM) that combines engineering, procurement & construction (EPC) and BOT models. The Indian government will contribute 40% of the project cost in annual payments while private companies will foot the bill for the remaining 60%. For example, the Sarai 14 million litres per day sewage treatment plant in Haridwar was developed through hybrid annuity model in 2019 under the National Mission for Clean Ganga (NMCG). The success of hybrid annuity models could help municipal organisations overcome financial constraints and accelerate the demand for water infrastructure in India.

Solid Waste Management Solutions:

Municipal Solid Waste (MSW), commonly known as garbage or trash is a waste from everyday items that is discarded by us. Our daily activities give rise to a variety of solid wastes of different physicochemical characteristics, which harm the surroundings unless properly managed and processed. Urbanisation is a critical factor driving the municipal solid waste generation in the country. Changing lifestyle patterns, increasing disposable incomes, have paved way for consumerism, and have also contributed to waste generation in urban India. Municipal solid waste generation is expected to grow at a CAGR of 8.2% from FY2023 to FY2028 to reach 105 million metric tonnes per annum.

Exhibit: Municipal Solid Waste Generation Volume, India, FY2023 – FY2028

Different services provided under municipal solid waste management contracts include collection and transportation of waste, processing or waste treatment and disposal.

- Currently the Indian market is tilted towards waste collection and transportation only. Use of digital platforms such as websites and mobile apps for on-demand waste collection is becoming increasingly common. Also, use of IoT in a few projects in India has been successful the penetration of technology is expected to increase during the forecast period.
- Waste processing / treatment is very limited currently and has higher potential for growth in the coming years. Waste Management Rules 2016 have given due importance to waste processing and treatment segment by mandating bulk waste generators to ensure their waste is processed at a common treatment facility located within a 75k kilometre range. These rules have also mandated industries to procure recycled waste (such as refuse derived fuel (RDF) for co-burning in cement kilns) from plants located within 100 kilometres of their setups, if any. Such initiatives are expected to facilitate the growth of this segment in the value chain in India, which is currently at a very nascent stage.
- Waste collected that does not undergo any treatment, rejects from compost, RDF and waste-to-energy plants are disposed in landfills. Very few municipalities have adopted scientific landfills along with closure and post-closure maintenance of landfills. Majority of the municipal corporations are yet to adopt scientific landfills for waste disposal. Hence, this segment holds significant opportunity for growth in coming years.

Major factors driving the demand for solid waste management in India are government schemes and initiatives, regulations, and awareness on social and environmental health.

Government Schemes/ Budget Allocations: Many development schemes to improve the standards of waste management in India have been announced. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Scheme, Swachh Bharat Mission, and Smart City Mission coupled with government subsidies for projects such as Waste-to-Energy, have been the key driving factors in increasing private-sector participation. Smart City Mission is facilitating local municipalities in adopting smart technologies (e.g., Radio Frequency Identification and GPS) in city's integrated waste management system. In the Budget FY2023-2024, under Saptarishi, the government has proposed to develop 500 new Waste to Wealth plants will be established under the GOBARdhan scheme for promoting circular economy. These will include 200 compressed biogas plants, 75 in urban areas, 300 community or cluster-based plants with a total investment of INR 100.00 billion. Government's commitment to achieve net-zero by 2070 is also a key factor expected to drive the demand for waste management services in the long-term.

Government Regulations: In 2016, the Indian Government revised specific regulations for each type of waste; municipal, hazardous, bio-medical and e-waste. These regulations have broadened their scope, defined every stakeholder's role and accountability clearly and laid out time bound targets for effective implementation of all directives. Moreover, the Ministry has been receptive to industry feedback and quick in announcing further amendments to Rules 2016 (e.g., Bio-medical and E-waste regulations) to ensure better on-ground implementation.

Environmental and Social Awareness: Environmental and social awareness about effective waste management has increased over the years. Municipal corporations have initiated programs to create awareness among households. Durg and Raipur Municipal corporations have included Information Education and Communication activities as part of the scope of services outsourced to private companies for municipal solid waste management. Such Information Education and Communication programs by municipalities and special campaigns conducted by non-governmental organisations and social activists are anticipated to create more awareness about the effects of improper waste disposal.

Mechanical, Electrical & Plumbing And Heating, Ventilation & Air-Conditioning Services

The growing need for energy management and reduction of the building operating cost has increased the focus on preventive maintenance which is now a lucrative area for growth in Heating, Ventilation and Air-conditioning maintenance services. Additional equipment such as solar, gas, electric-powered hot water generators and roof-top solar photovoltaic power systems, in line with the construction market trends are adding to complexity of building maintenance and at the same time increasing the potential for Mechanical, Electrical & Plumbing Maintenance Services.

Pest Control Services

Pest control services are designed to eliminate the risks of contamination and destruction from pests such as termites, rodents, mosquitoes, cockroaches, birds, wood borers, bees, fleas, and ants. These services safeguard humans from several diseases by disrupting the breeding cycles of pests. The Pest Control Services Market in India is forecast to grow rapidly over the next five years. Key end user segments contributing to the growth of Pest Control Services are Food Industry, Hotels, Educational Institutions, Healthcare, Retail, Construction and Commercial Offices.

Strong macro-economic growth, population growth, urbanisation, expanding middle class, government initiatives such as the Swachh Bharat Abhiyan Initiative and investment in food and pharmaceuticals segment are the major drivers for the future growth in Pest Control Services Market.

Stringent rules to uphold proper hygiene standards are being implemented in response to growing concerns about the safety of food and the effectiveness of sanitisation in workplaces, hospitals, hotels, and restaurants. In order to prevent contamination and uphold clean and sanitary manufacturing and supply practises, the implementation of such rules is pressuring businesses in the food manufacturing industry and other sectors to invest in efficient pest control services.

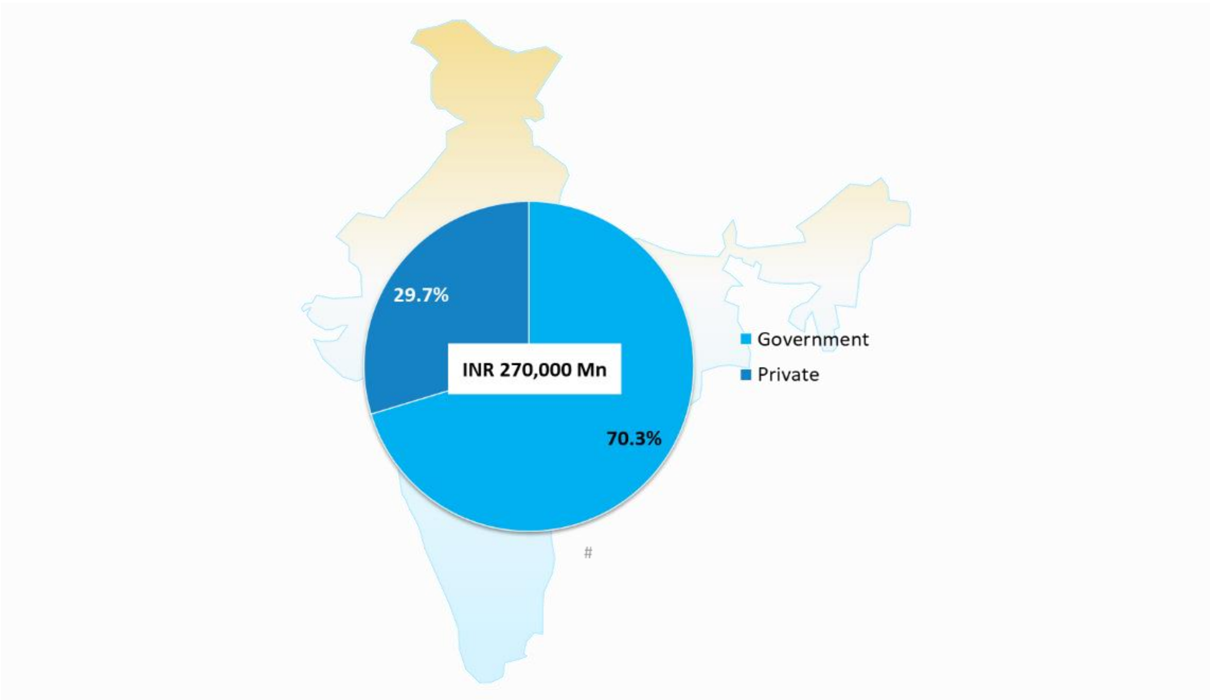
Façade Cleaning Services

Façade Cleaning Services include high-rise and low-rise window cleaning, atrium cleaning, high dusting, pressure washing among others. The most predominant service is the cleaning of the front face of a building which is usually layered with glass, stone or wood. The key factor driving the demand is to protect the appearance of the building and also to help prevent corrosion of the materials by proper timely cleaning. Key end users contributing to the demand are Commercial Offices, Shopping Malls, High-rise Buildings, Educational Institutions etc.

Market Segmentation by Government versus Private

Hard Services segment is dominated by the government sector due to the presence of City Maintenance Services and the increase in outsourcing from government sector for Facility Management services. Municipal Corporations and Urban Local Bodies are the major clients for City Maintenance Services.

Exhibit: Outsourced Hard Services Market: Segmentation by Government versus Private, FY2023, India

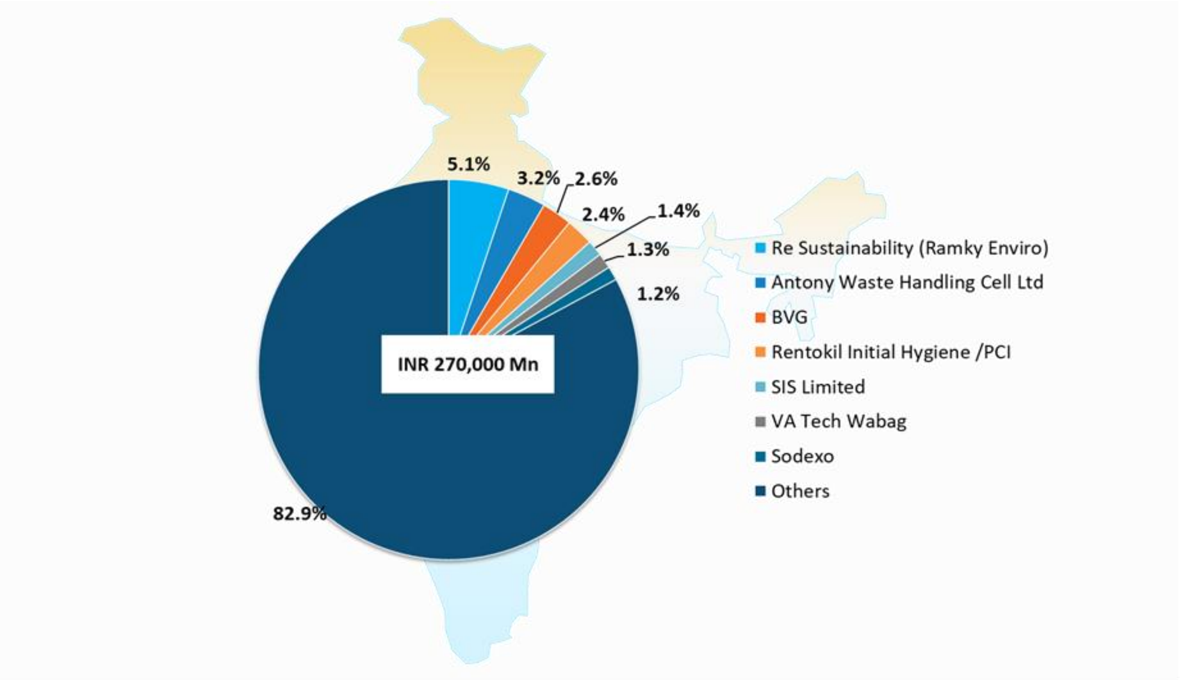


Source: Frost & Sullivan Analysis

Competition Overview and Market Share Analysis

The competitive structure is very similar to the Soft Services segment – extremely fragmented. But the nature of players in this segment is slightly different - single services solution providers such as City Maintenance, Pest Control, Mechanical, Electrical & Plumbing Services etc. dominate this segment. For example, the top two companies in this segment Re Sustainability (Ramky Enviro) and Anthony Waste are predominantly into waste management services and water and wastewater treatment solutions and services business, and do not provide Facility Management services such as Soft Services, Mechanical, Electrical & Plumbing Services and Pest Control Services. Rentokil Initial, another major player in Hard Services segment is mainly into Pest Control Services. Major Integrated Facility Management Services companies present in Hard Services are BVG, SIS Limited, Sodexo, Quess Corp, ISS, UDS, Compass, Krystal among others.

Exhibit: Outsourced Hard Services Market: Market Share Analysis, FY2023, India



Others include UDS, Quess Corp, ISS Facilities, Compass India, Impressions, Krystal, OCS Group etc.
Source: Frost & Sullivan Analysis

OVERVIEW OF OTHER SERVICES MARKET IN INDIA

Market Overview

Market Definitions

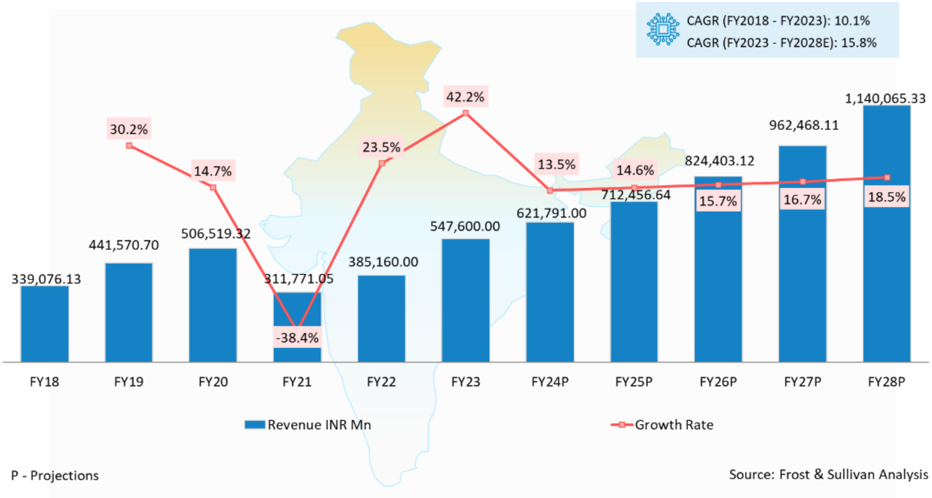
Other Services includes four services such as Catering Services, Warehouse Management Services, Production Support Services, and Airport Management Services.

1. **Catering Services:** This is defined as the business of preparing food and providing food services to different events across end users.
2. **Warehouse Management Services:** This includes providing Facility Management services to warehouses.
3. **Production Support Services:** This is defined as supplying the workforce to the manufacturing companies for production support, material handling, maintenance, utilities etc.
   Airport Management Services: This is defined as managing airport passenger traffic and multilevel vehicle parking facilities in airports.

Market Size and Revenue Trend:

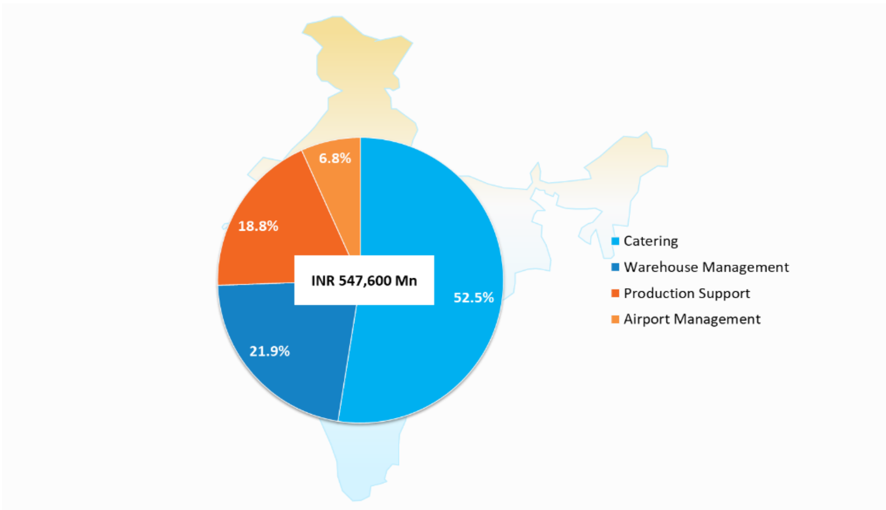
The market size is valued at INR 547,600.00 million in FY2023 and is forecast to grow at a CAGR of 15.8% from FY2023 - FY2028 to reach INR 1,140,065.33 million.

<u>Exhibit: Other Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India</u>



Major factors anticipated to contribute to this growth are increasing investments in end user segments such as Retail, Commercial, and Airports, expected increase in outsourcing rates, and growing disposable incomes. Catering Services is the largest segment with a market share of 52.5% of the total market in FY2023.

Exhibit: Other Services Market: Market Segmentation by Service Types, FY2023, India

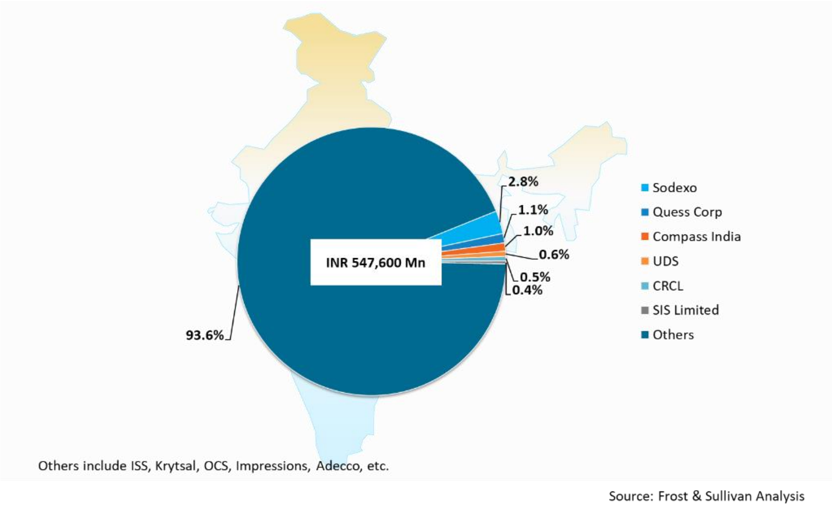


Source: Frost & Sullivan Analysis

Competitive Overview and Market Share Analysis:

The market is characterised by the presence of the different competitor types – Facility Management companies, staffing companies, companies specialising in single services such as Parking Management, and Catering. Among the Integrated Facilities Management companies, Sodexo is the market leader with a share of 2.8% of the total market in FY2023. Other major companies in this segment are Quess Corp, SIS Limited, Compass, UDS, BVG, CRCL, ISS, Krystal among others.

Exhibit: Other Services Market: Market Share Analysis, FY2023, India



CATERING SERVICES MARKET

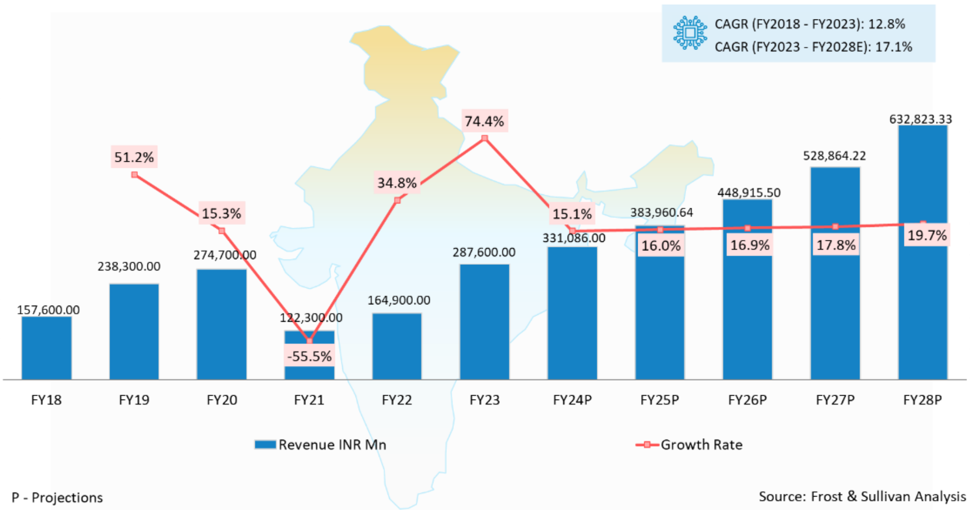
Market Size and Revenue Trend

Growth in the Indian economy and rising investments in services, industry, education, and tourism sectors have played a crucial role in the growth of Catering Services Market. India's high growth trajectory has resulted in industries and offices moving to semi-urban area of cities and this has fueled the demand for on-site kitchens to serve employees who must travel long distances to reach office locations.

The growth in Meetings, Incentive, Conferences, and Exhibitions (MICE) tourism has also propelled the growth of the Catering Services Market in India. The country's infrastructure facilities are improving consistently and are on par with the developed countries that enable India to host world-class events. The Ministry of Tourism has formulated the National Strategy for MICE Industry, which is expected to bolster growth in the long-term and this would eventually drive the demand for Catering Services.

The Catering Services Market in India is estimated at INR 287,600.00 million in FY2023. The market grew at a CAGR of 12.8% from FY2018 – FY2023.

Exhibit: Outsourced Catering Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Note: The market size does not include catering services provided for weddings and other personal functions, and in-flight catering.

Hybrid work models are the trend today and influenced by COVID–19's social distancing norms, the catering companies introduced packed meals – these are freshly cooked nutritious meals cooked at central kitchens and packed for employees. This replaced the traditional on-site food serving, which resulted in large gatherings during lunch breaks. Digital solutions such as mobile applications introduced by catering companies allowed customers to customise their meals as well. These trends are expected to grow until the medium-term.

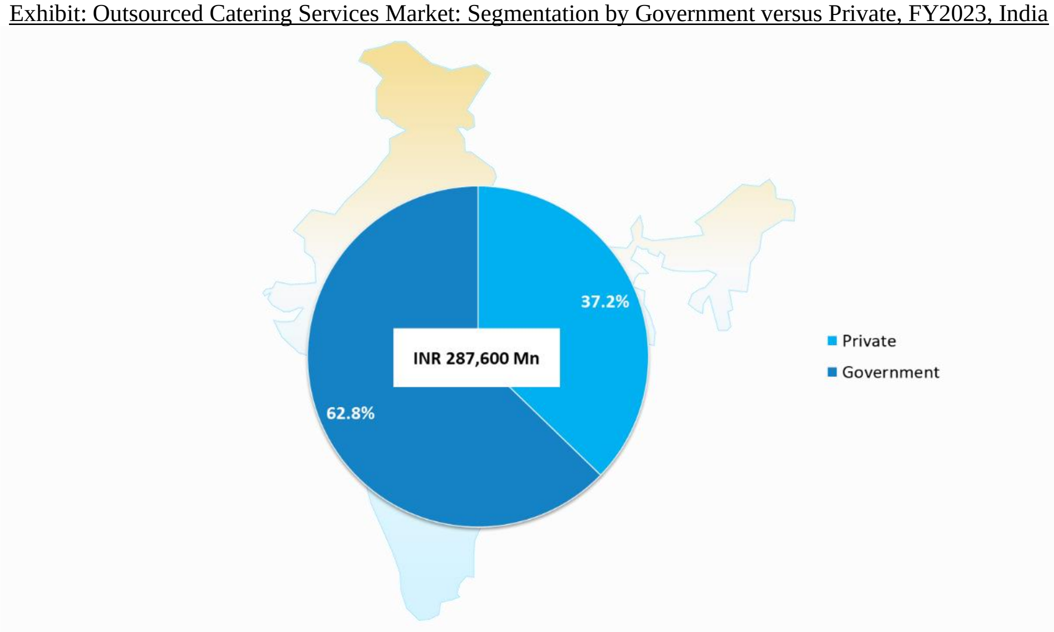
Post the global pandemic, there is an increasing focus on emotional health and overall health. This is seen particularly in educational segment where the relevant stakeholders want to imbibe the habit of healthy eating from the early stages of child's growth. To this extent, several companies in the market are developing bespoke meal plans to create unique food experiences, which are not just healthy and tasty but visually appealing too, to meet the emotional, functional, and social requirements for students at educational institutions
.

Factors such as change in lifestyles, dual earning families that prefer eating at office premises, shift in real estate trends and increase in disposable incomes to afford a leisure lifestyle are the major demand drivers. The market is expected to reach INR 632,823.33 million by FY2028 growing at a CAGR of 17.1% from FY2023 – FY2028. Within the Catering Services market, Corporate Catering segment is expected to witness high growth which would be driven by the growth in Services segment.

Market Segmentation by Government versus Private

Majority of the Catering Services demand is from the government sector, driven by the Railways segment. The private sector includes providing food services to commercial offices, corporate cafes, educational institutions, corporate events such as meetings, training programs, exhibitions, conferences, and awards programs among others.

Exhibit: Outsourced Catering Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Competitive Overview

The Catering Services market is highly fragmented with close to 60-70% of the total market dominated by unorganised companies and the remaining 30-40% of the market with organised companies. Within the organised segment, Sodexo, ISS, CRCL, Krystal, Proodle Hospitality, Comprehensive Support Services (CSS), ISG Hospitality Service, Compass, and Quess Corp are some of the major players. Catering companies are promoting locally sourcing of farm products and networking with vendors who are climate change conscious as a unique selling proportion to lure customers particularly the millennials and Zen-Y customers.

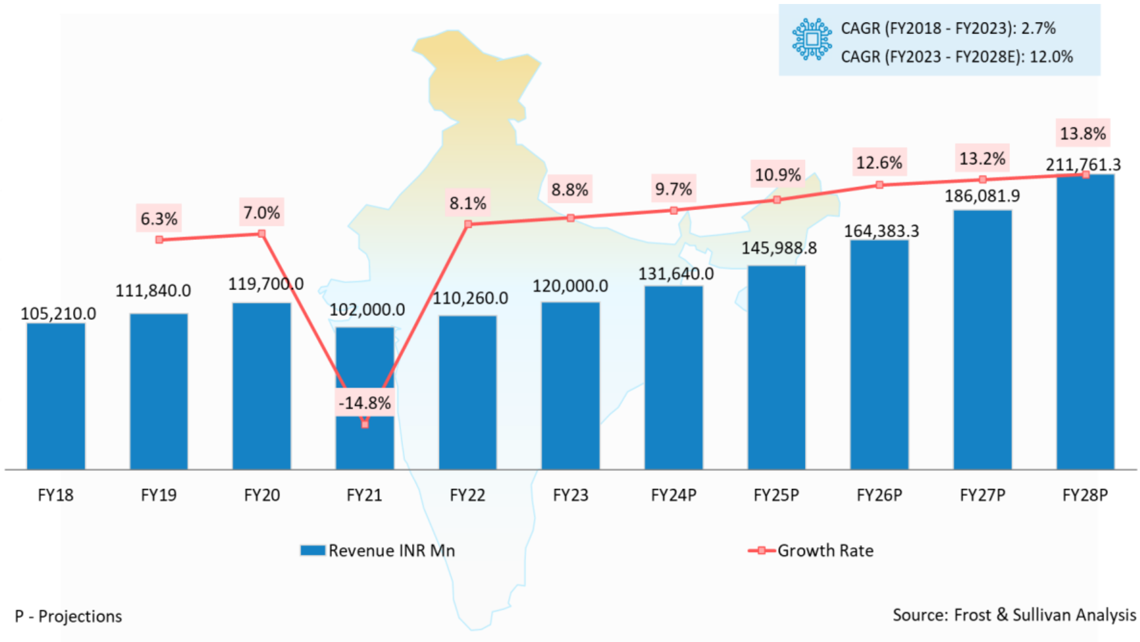
WAREHOUSE MANAGEMENT SERVICES MARKET

Market Size and Revenue Trend

Warehouse Management is critical in achieving a company's productivity objectives. Warehouse Management Services help organisations in moving goods through a warehouse at maximum speed and optimising every stage of the fulfilment process. It also adds efficiency, uniformity, and quality control to the process. The most crucial benefits of outsourcing warehouse management include:

- **Inventory Accuracy and Control:** One of the key features of warehouse management is improved stock control and tracking. That in turn helps in better operations and smooth flow of business ultimately resulting in customer satisfaction in the long run. Also, it eliminates any potential operating costs generated as a result of any errors, which can boost earnings and lower costs.
- **Efficient Management of Warehouse Space:** Maintaining enough storage space is critical to running a successful warehouse.
- **Improving Customer Service:** Outsourcing will optimise paper work associated with tickets, packing lists and reports to name a few. It will enable streamlining all procedures from order to delivery; product availability may be more precise by providing customers with definite delivery dates, resulting in less customer complaints and overall enhanced customer service.
- **Reduce Lost Inventory:** As a result of streamlined warehouse operations, each item in the warehouse in tracked and this results in reduction in lost inventory.
- **Cost Savings:** Outsourcing these services will help companies in reducing their direct manpower cost but at the same time will benefits from professional services offered by the specialist companies.

Exhibit: Warehouse Management Services Market: Historic Revenue Trend, FY2018 – FY2028, India



The market for Warehouse Management Services is valued at INR 120,000.00 million for FY2023. The COVID-19 impact on the market is -14.8% in FY2021.

Key factors driving the demand for Warehouse Management Services are increasing in warehousing space, rise in 3PL and 4PL services, growth in Fast Moving Consumer Goods (FMCG) and E-Commerce sectors in India.

Growth in Warehousing: Warehousing in India is still at a nascent stage and offers immense growth potential driven by investments in sectors such as E-Commerce, Fast Moving Consumer Durable (FMCD), FMCG, Manufacturing and Retail. India's per capita warehousing stock is at 0.02 square meters while the USA, China and the UK have 4.4 square meters, 0.8 square meters and 1.09 square meters respectively. This low penetration makes India's warehousing market more attractive, and this is complemented by the increase in per capita income and population growth.

Growth in FMCG Market: FMCG is the 4th largest sector in India. The FMCG market is valued at USD 56.8 billion in December 2022 and the market is expected to grow at a CAGR between 27 – 29% through FY2027. Major factors driving the demand are favourable government policies, a growing rural market and youth population, new branded products, and growth of E-Commerce platforms.

Rise in 3PL and 4PL Services: The Indian 3PL market is expected to grow at a CAGR of about 8 - 10% from 2023 – 2028. Growth in Manufacturing, FMCG, Retail, and E-Commerce industries are likely to propel the growth for 3PL and 4PL services. Indian businesses are looking for new logistical capabilities and complex solutions from 3PL service providers to help them manage supply chain processes more effectively, reduce traditional logistics costs, and handle more complex tasks.

While manufacturing was one of the early adopters of 3PL and 4PL services, other industries are likely to benefit from outsourcing their supply chain management to experts, allowing them to focus on rebuilding and strengthening their core businesses. Furthermore, the transformation of these service providers into key partners, providing expert, end-to-end solutions ranging from documentation, tracking, warehousing, legal compliance, etc. at competitive rates, would make them a strategic choice for most businesses, propelling demand for 3PL/4PL.

Growth in E-Commerce Sector: The growth in the Indian E-Commerce industry is fueling the demand as well as the development of the warehousing and logistics sector in India. E-retailers are now more aggressively looking forward to opening up warehouses in Tier 1 and Tier 2 cities as well as collaborating with well-known logistics service providers across the country to be able to deliver cost effective solutions.

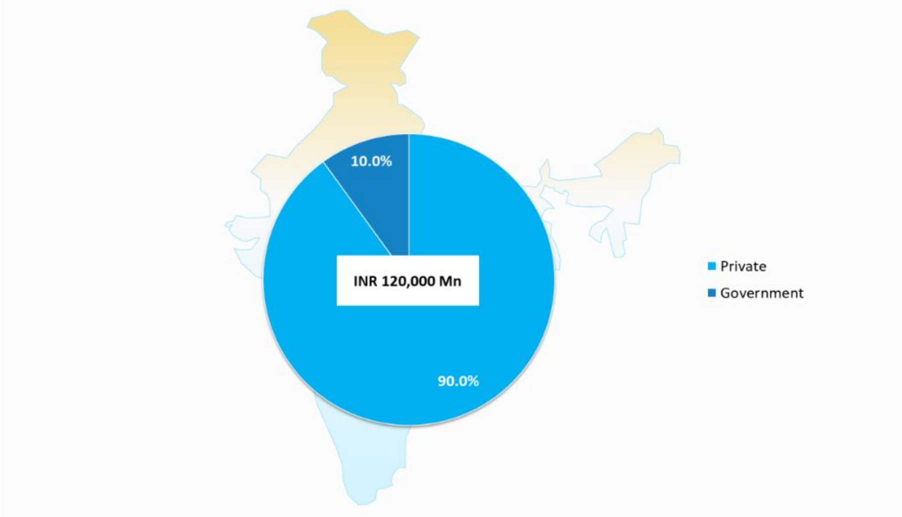
India's E-Commerce market is estimated to expand at a CAGR of 22.8% from 2021 to 2030 to reach USD 350 billion in terms of Gross Merchandise Value. The primary drivers of this growth are the demand for grocery and fashion/apparel segments. Indian government aims to create a trillion-dollar online economy by 2025 through their Digital India Program. Other regulatory measures such as the draft E-Commerce policy, the national retail policy, and consumer protection rules 2020 are all expected to drive the market in the long-term.

Based on the above analysis, the Warehouse Management Services Market is forecast to grow at a CAGR of 12.0% from FY2023 – FY2028 to reach INR 211,761.25 million.

Market Segmentation by Government versus Private

Outsourcing of Warehouse Management Services is higher in the private sector than the government sector. Outsourcing in the private sector is driven by awareness and scale of investments in key end user segments such as FMCG and E-Commerce.

Exhibit: Warehouse Management Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

The private sector is expected to drive the demand for Warehouse Management Services during the forecast period.

Competitive Overview

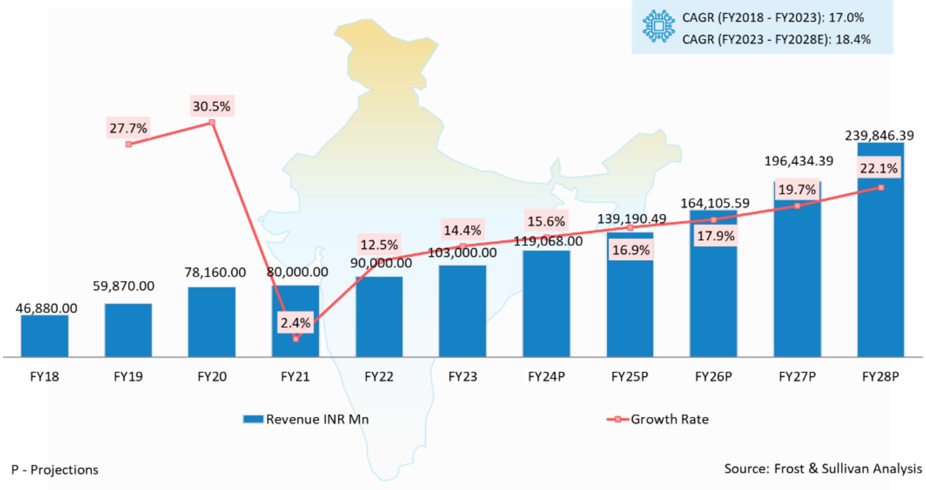
The market is highly fragmented in India and the organised sector accounts for around 40% of the market while the remaining 60% is accounted for by the un-organised sector companies. The market witnesses the presence of both Multi-National Companies (MNC) and local companies. MNC companies mostly operate in Tier 1 and Tier 2 cities while Tier 3 cities are mostly catered to by the local companies. The major companies present in the organised sector are D V Shankar, Mahindra Logistics, Blue Dart, Toll logistics, DHL, Kuehne Nagel and Ceva Logistics. Though the market is dominated by incumbents, companies from other business verticals have also entered this business. For example, Facility Management companies have developed capabilities to provide Warehouse Management Services across end users. A few of the Facility Management companies providing Warehouse Management Services in India are UDS, Krystal, Impressions, and OCS Group.

PRODUCTION SUPPORT SERVICES MARKET

Market Size and Revenue Trend

Production Support Services segment was valued at INR 103,000.00 million in FY2023 and has recorded a CAGR of 17.0% from FY2018 – FY2023. COVID-19 impact on this segment is estimated to be a marginal growth of 2.4% in FY2021.

Exhibit: Outsourced Production Support Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



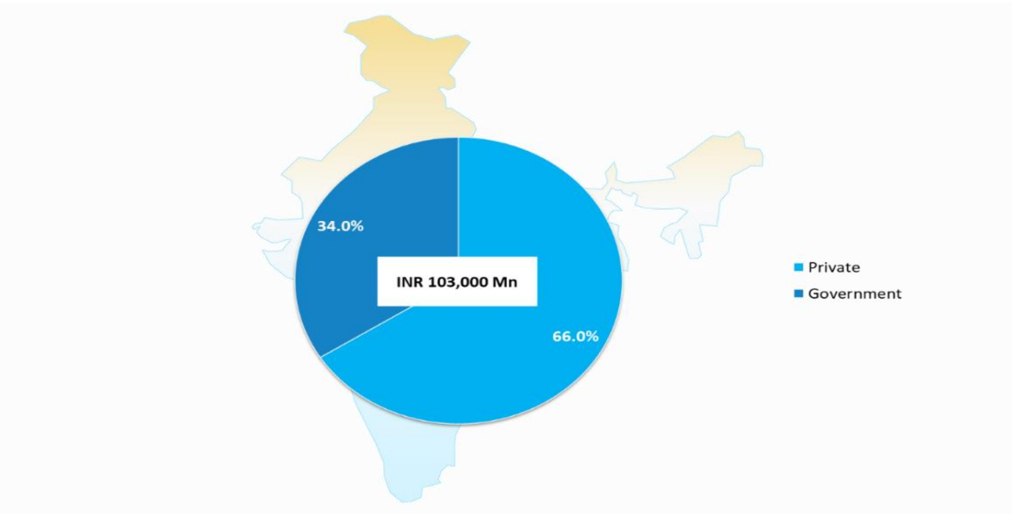
Federation of Indian Chambers of Commerce and Industry (FICCI's) quarterly survey (Q1 April – June FY2023) on Manufacturing sector states that the growth momentum continued in Q1 of FY2023, and the hiring outlook is positive after a long gap. This positive outlook for hiring from the Manufacturing segment would drive the demand for Production Support Services in the long-term. Hiring is expected to remain positive in manufacturing, engineering, and fast-moving consumer goods across Mumbai, Bangalore, Chennai, Delhi, Pune, Hyderabad, and Ahmedabad. Healthcare is a key segment that is expected to drive the demand for Production Support Services in the long-term. Most of the recruitment is expected to be towards operations, while sales and marketing, engineering, and technology-oriented jobs are also expected to witness demand in the Manufacturing segment.
Automotive industry is a key demand driver for Production Support Services in India. As per the National Automotive Mission Plan 2016 – 2026 and the Society of Indian Automobile Manufacturers (SIMA), the Automotive segment is expected to account for 65 million new jobs by 2026. One of the niche segments within automobile industry is the electric vehicles segment, which is expected to grow at a CAGR of 49% from CY2022 – CY2030 and create 50 million direct and indirect jobs by 2030.

Based on the hiring outlook in the Manufacturing and Industrial segment, the market for Production Support Services is expected to grow at a CAGR of 18.4% to reach INR 239,846.39 million by FY2028.

Market Segmentation by Government versus Private

Private sector dominates the Production Support Services market with a share of 66.0% in FY2023 and is expected to dominate the market during the forecast period.

Exhibit: Outsourced Production Support Services Market: Segmentation by Government versus Private,FY2023, India



Source: Frost & Sullivan Analysis

Competitive Overview

Production Support Services are offered by leading Integrated Facilities Management companies and Staffing companies in India. The major Integrated Facilities Management companies providing Production Support Services include Quess Corp, UDS, Krystal, OCS Group, and SIS Limited. Staffing companies that provide Production Support Services are Teamlease, Randstad, Manpower, Adecco etc. The market is fragmented, and more than 200 companies are competing in this segment.

AIRPORT MANAGEMENT SERVICES MARKET

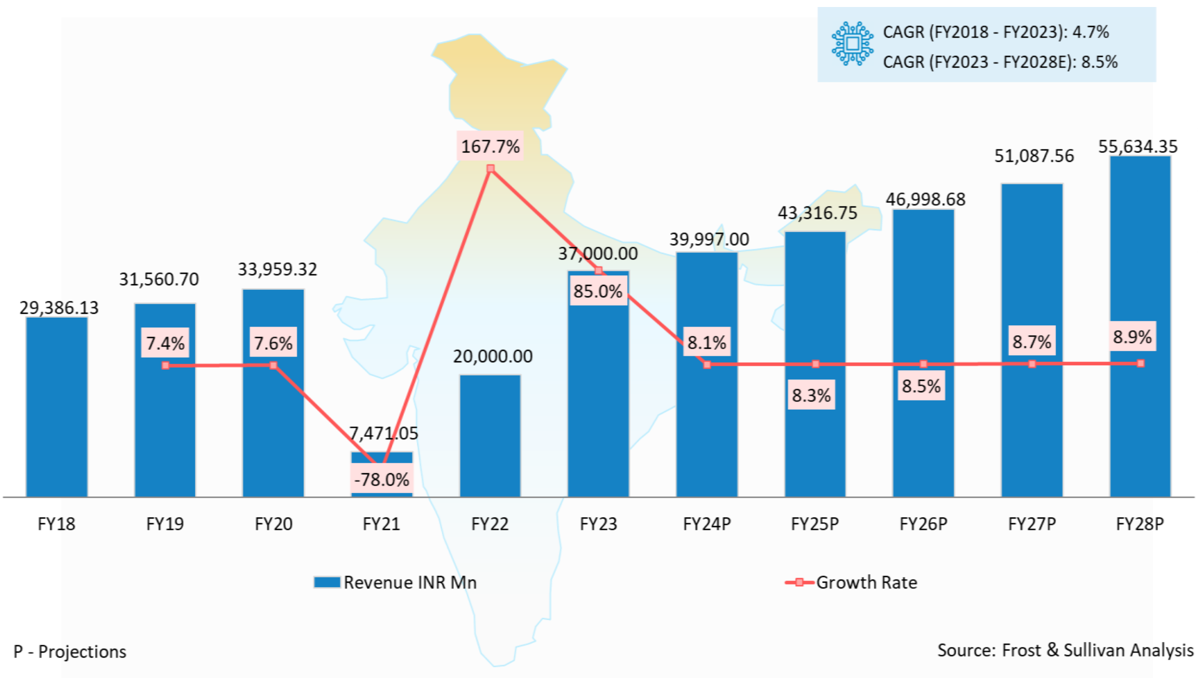
Market Size and Revenue Trend

Airport management service providers offer a range of services to ensure the smooth and efficient operation of in-coming passenger traffic and parking structures in Airports. These services are designed to provide convenience to passengers, optimise parking capacity, enhance security, and maintain the overall functionality of the parking facility. Here are some major services that are often provided:

- **Parking Management:** Efficient management of parking spaces, including monitoring occupancy, guiding drivers to available spaces, and ensuring proper utilisation of the parking area.
- **Vehicle Access Control:** Implementing access control systems such as boom barriers, ticketing machines, and automated payment systems to regulate entry and exit of vehicles.
- **Parking Guidance System:** Installation of signage and digital displays to guide drivers to available parking spaces and provide real-time information about occupancy.
- **Security and Surveillance:** Implementing CCTV cameras and surveillance systems to monitor the parking area and enhance security for vehicles and passengers.
- **Valet Parking Services:** Offering valet parking services where trained staff handle the parking and retrieval of vehicles on behalf of customers.
- **Maintenance and Cleaning:** Regular maintenance and cleaning of the parking facility to ensure a clean and safe environment for vehicles and passengers.
- **Customer Service:** Providing assistance and customer support for parking-related queries, payment issues, and other concerns.

- **Parking Fee Management:** Collecting and managing parking fees through various payment methods, including cash, cards, and digital wallets.
- **Vehicle Assistance:** Offering services such as jump-starts, tire inflation, and minor repairs for vehicles parked within the facility.
- **Digital Platforms:** Offering mobile apps or online platforms for customers to check parking availability, make reservations, and pay for parking.
- **Emergency Response:** Establishing protocols for handling emergencies such as accidents, medical incidents, or security concerns within the parking facility.
- **Environmental Initiatives:** Implementing environmentally friendly practices such as energy-efficient lighting, waste management, and electric vehicle charging stations.
- **Revenue Reporting:** Providing reports on parking revenue, occupancy trends, and customer feedback to the airport management.
- **Accessibility and Compliance:** Ensuring that the parking facility is accessible to people with disabilities and compliant with relevant regulations and standards.
- **Continuous Improvement:** Regularly evaluating and implementing improvements to enhance the overall parking experience for passengers.

Exhibit: Outsourced Airport Management Services Market: Historic and Forecast Revenue Trend, FY2018 –FY2028



The market for Airport Management Services is valued at INR 37,000.00 million for FY2023. The COVID-19 impact on the market is -78.0% in FY2021. An increase in the number of airports and a rising desire for digital transformation at airports is driving the demand for Airport Management Services in India. Along with this, there is an increase in smart airport transformation, which has led to significant internal changes in management systems, including appropriate airport management systems, advanced passenger screening, security measures, and other developments. The market is expected to grow at CAGR of 8.5% from FY2023 – FY2028 to reach INR 55,634.35 million.

Major factors driving the demand for Airport Management Services Market in India are growth in air travel, government initiatives for infrastructure development, and sustainability among others.

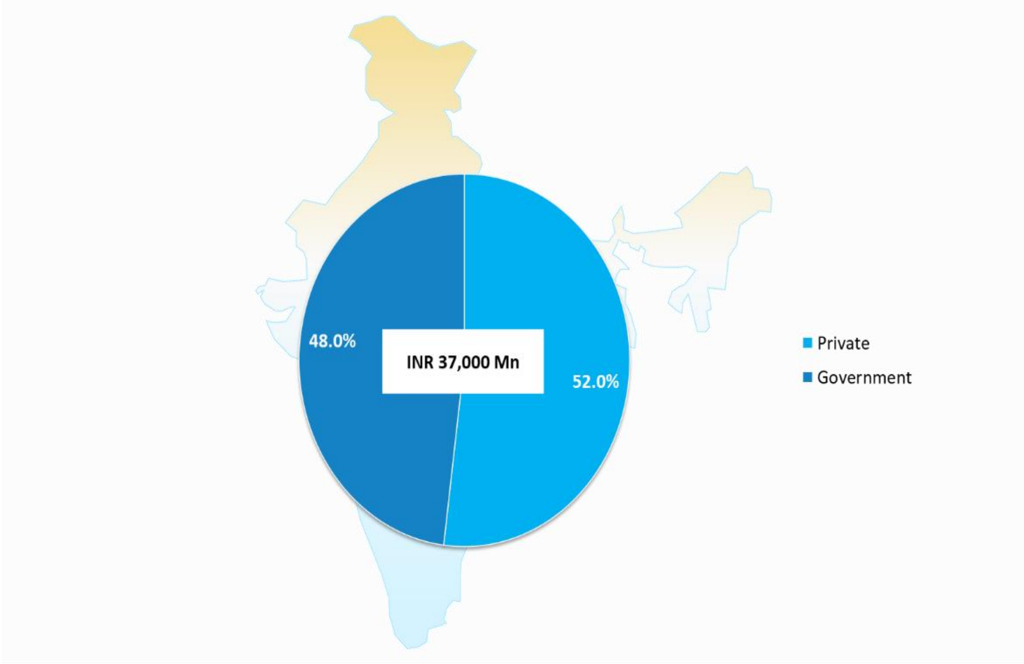
- **Increasing Air Travel Demand:** The growing middle-class population and increased affordability of air travel are driving higher passenger numbers, necessitating improved airport management to handle the influx.
- **Government Initiatives:** Government policies and initiatives aimed at boosting the aviation sector, promoting regional connectivity, and modernising airport infrastructure are creating opportunities for Airport Management Services.

- **Regional Air Connectivity:** Initiatives like the UDAN scheme aimed at enhancing regional air connectivity creates the need for more assets and there by the requirement for Airport Management Services.
- **Technological Advancements:** Advancements in airport technologies, such as biometrics, IoT, smart terminals, and self-service systems, are also driving the need for efficient management and integration of these solutions.
- **Private Investment:** Private players and international operators' interest in Indian airports, along with public-private partnerships, are leading to better management practices and technology adoption.

Market Segmentation by Government versus Private

Privatisation of Airports in India is a major factor driving the demand for private sector. Most of the major international airports such as Indira Gandhi International Airport – Delhi, Manohar International Airport – Goa, Mangalore International Airport – Mangalore, and others in Bengaluru, Cochin, Kannur, Hyderabad, Noida, Lucknow, etc. are all privatised and hence the market is dominated by private sector. With more privatisation of airports in the pipeline by Airports Authority of India, the share of the private sector is expected to further increase in the forecast period.

Exhibit: Outsourced Airport Management Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Competitive Overview

Airport Management Services Market is characterised by the presence of Integrated Facility Management companies and parking management solution providers. Most common methods of service procurement in tender system. The contract period varies from two – five years. Major companies operating in this space are BVG, Quess Corp, Sodexo, Krystal, ISS, OCS Group, S.S. Enterprises, Tenaga Parking, Traffic Solutions Co. etc.

OVERVIEW OF THE STAFFING AND PAYROLL MANAGEMENT SERVICES MARKET IN INDIA

Market Definitions

Staffing and Payroll Management Services is defined as the staffing solutions focused on the needs of IT/ITeS and general staffing requirements of organisations encompassing all its functional requirements. This predominantly includes contract-based staffing, and the requirement is limited to specific projects and is short-term i.e., 1 -2 years. The market is segmented into three as follows:

- Temporary Staffing Solutions:
    - General Staffing: This includes white, blue and grey collared staffing focused on job profiles such as delivery of products, front-end personnel, supervisors, telemarketing, customer service, network operators, telecom tower maintenance executives, medical representatives, executives for content generation and running campaigns etc. across end user industries such as E-Commerce, Banking, Retail and Consumer, Logistics, Telecom, Manufacturing, Hospitality, Healthcare, Tourism, Agriculture etc.
    - IT Staffing: This includes white-collar staffing focused on the needs of IT and ITeS industry. Job requirements met include software programmers and developers, web designers, web planners, program managers, development project manager, development leads, test engineers, cloud engineers, infrastructure support engineers, data warehouse maintenance personnel, hardware engineers for real time support for data servers, full stack developers, DevOps etc.
    - Professional Staffing: This includes white collared staffing for skilled and highly-skilled job functions such as sales and marketing, pharmaco vigilance, pharma research & development, design and engineering, EPC, finance and accounting, legal etc. across end user industries such as Banking, Healthcare, Hospitality, and Manufacturing etc.

- Permanent Staffing Solutions: This includes Search, Recruitment and Recruitment Process Outsourcing (RPO). Search refers to CXO positions and board level executives with management and domain expertise. Recruitment & RPO solutions includes permanent staffing of senior, middle and junior level positions and outsourcing of the recruitment process.

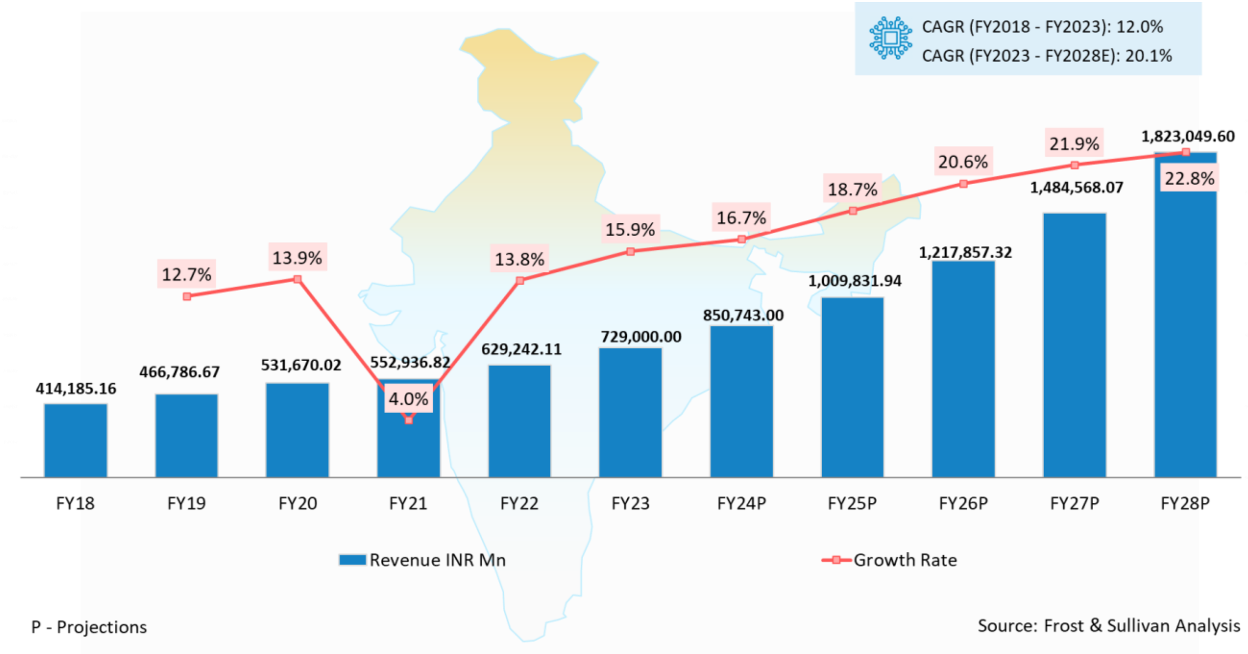
- Other Human Resources (HR) Solutions: This includes payroll management outsourcing, training, skilling, HR advisory and consulting services etc.

Market Size and Revenue Trend

The most common HR functions outsourced by organisations include recruitment (both permanent and temporary), background verification, payroll management, compliance, and outplacement. The primary driver for outsourcing of these activities is their non-core nature for most organisations along with the significantly higher scale benefits that service providers provide in these areas as compared to the end customer themselves.

The Staffing and Payroll Management Services Market size in FY2023 is estimated at INR 729,000.00 million. The market grew by a CAGR of 12.0% between FY2018 – FY2023. Growth in Staffing and Payroll Management Services Market is driven by the increased acceptance by organisations' which are gradually increasing their share of temporary or flexi staff in their total workforce. As industry becomes familiar with the benefits associated with temporary staffing and regulatory regime is rationalised, more experienced staff are expected to join the staffing segment and drive market revenues.

Exhibit: Staffing and Payroll Management Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



Note: The market size refers to the organised Staffing and Payroll Management Services market only.
Investments in end user industries such as IT/ITeS, Banking, Manufacturing, Retail, Telecom etc. and the increase in outsourcing from the government sector are expected to drive the need for Staffing and Payroll Management Services Market at a CAGR of 20.1% from FY2023 – FY2028 and reach INR 1,823,049.60 million.

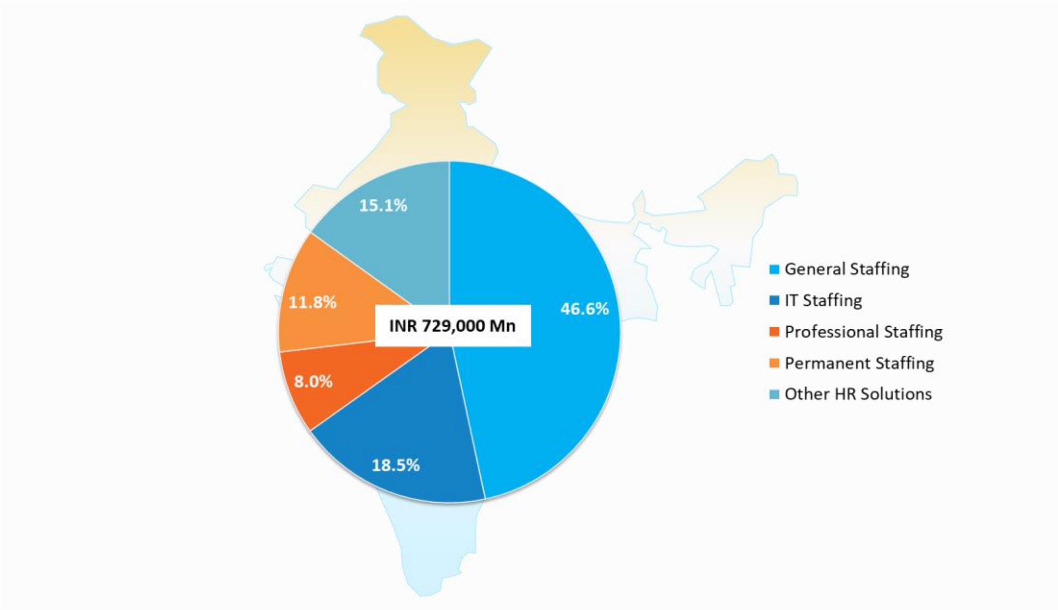
Market Segmentation by Services

General Staffing and IT Staffing are the major segments in Staffing and Payroll Management Services Market in India with a combined market share of 65.2% of the total market in FY2023.

General Staffing Segment in India is a nascent industry when compared to developed markets like the USA, Japan, and Italy. However, in the last five years the industry has evolved into a strong contributor to the country’s economy. This segment includes temporary staff placed in the Retail, Telecom, Banking, Financial Services and Insurance (BFSI), Healthcare, and Hospitality sectors. These include graduate level staff with professional qualifications. General Staffing segment witnessed a strong growth of 15.3% in new jobs added in FY2023 at around 1.47 lakh jobs across the segment, as per the Indian Staffing Federation.

The Indian IT industry has been a pioneer in driving the growth of the Staffing Services Market in the past. Because of the cyclical growth witnessed in the past and to keep the costs under check, the IT industry has modified its hiring policies in favour of temporary staffing. With increasing competition, more companies are expected to hire temporary staff to overcome margin pressures and maintain lean benches. This is expected to increase the industry share from the present 5.0% to 20.0% in the next five years. The total number of new flex jobs generated in the IT Staffing industry decreased by 7.7% in the second half of FY2023. The decline in new jobs within the IT Staffing industry is a consequence of the slowdown in IT hiring globally, the continuous process of right-sizing employment across markets like the USA, the ongoing conflict between Russia and Ukraine, and the unstable international financial markets.

Exhibit: Staffing and Payroll Management Services Market: Segmentation by Services, FY2023, India



Note: General Staffing, IT Staffing and Professional Staffing are together called as Temporary Staffing

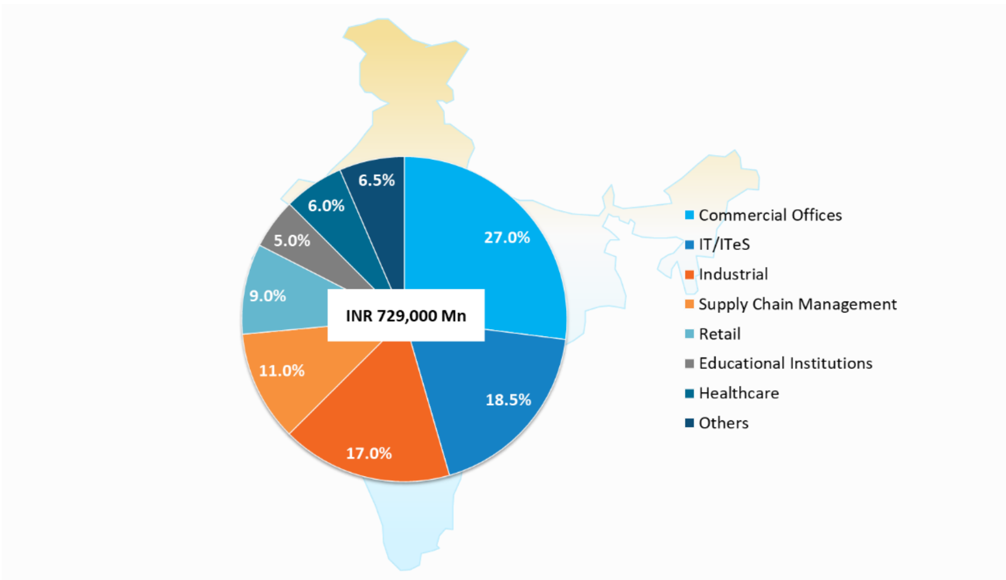
Source: Frost & Sullivan Analysis

Professional Staffing Solutions Segment is a niche and evolving market in India. With the growing preference for temporary staff in this segment, the market is expected to witness high growth in the medium- and long-term.

Market Segmentation by End User Segments

Commercial Offices is the largest segment for General Staffing Services in India. This includes Banking, Telecom, E-Commerce etc., which are among the high segments attracting investments in India. IT/ITeS is the second largest segment driven by the growth in IT segment. Global companies outsourcing IT related work to India, growth in global captives, and the adoption of digitalisation across end user segments are creating demand for IT professionals in India, which is favouring the adoption of Staffing Services in this segment. Other segments that would drive the demand in the long-term include Industrial, Retail, and Healthcare.

Exhibit: Staffing and Payroll Management Services Market: Segmentation by End User Segments, FY2023, India

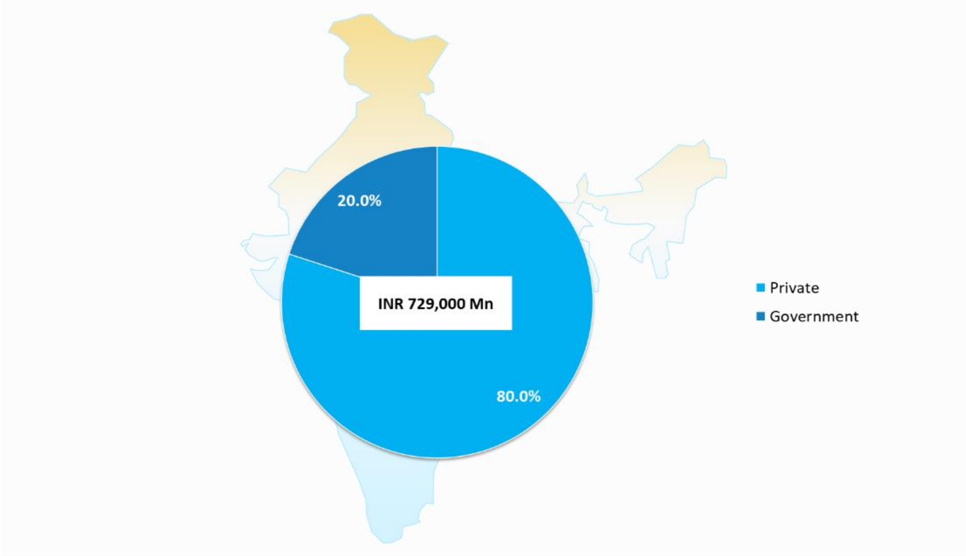


Source: Frost & Sullivan Analysis

Market Segmentation by Government versus Private

Staffing services have higher penetration in the private sector today and this accounts for 80.0% of the total market in FY2023. The recruitment process adopted by government sector limits the penetration of staffing in the government sector currently. But with the given shortage of manpower, longer recruitment cycles and the awareness of staffing services, the demand from the government sector is expected to increase in the long-term across Healthcare, Education, Railways, and Public Administration (State government entities, municipal bodies and other government offices).

Exhibit: Staffing and Payroll Management Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Market Outlook

Key growth enablers that are driving the Staffing and Payroll Management Services Market in India are the need for flexible workforce, availability of large manpower resources, growth in gig economy and regulatory compliance. Investments in major end user segments such as IT, Telecom and E-Commerce are also driving the demand for staffing services.

Exhibit: Market Drivers and Impact, India, FY2023 – FY2028

Market Drivers		Impact		
		1-2 Years	3-4 Years	5-7 Years
Growth in IT Industry	The adoption of technology by various industries across sectors has led to the establishment of new job requirements; this along with an increase in the need for competent IT technology experts are anticipated to create the demand for IT Staffing Services despite the recent disruption and setbacks the IT industry. The growth in IT industry is expected to create more jobs in the future and the need to ramp up manpower without too much of a build-up in bench means that IT industry would have to depend on Staffing Services to bridge their requirement gaps.	High	High	High

Market Drivers		Impact		
		1-2 Years	3-4 Years	5-7 Years
Growth in E-Commerce Industry	India's E-Commerce market is estimated to expand at a CAGR of 25 - 27% from 2019 to 2025. The primary drivers of this growth are the demand for grocery and fashion/apparel segments. Indian government aims to create a trillion-dollar online economy by 2025 through their Digital India Programme. Other regulatory measures such as the draft E-Commerce Policy, the National Retail Policy, and Consumer Protection Rules 2020 are all expected to drive the market in the long-term.	High	High	High
Growth in Telecom Sector	Expansion in 3G and 4G and the onset of 5G technologies in India are expected to increase the demand for telecom services over the next 5 years. Department of Telecom has assigned bandwidth to telecom operators to start 5G Trials in Delhi, Mumbai, Kolkata, Bengaluru, Gujarat, Hyderabad, and others. Capacity expansions by major telecom companies and Bharat Sanchar Nigam Limited (BSNL's) 4G upgrade are also contributing to the sector's growth. The most demanded opportunities would be for network engineers, field engineers, software engineers, developers, telecom technicians, project managers, network architects, data analysts, technical writers, cybersecurity analyst, customer service representative among others.	High	High	High
Growth in Industrial/ Manufacturing Segment	India is expected to increase its Manufacturing sector's contribution to GDP in the long-term and several initiatives by the government such as the Make-in-India and PLI schemes are expected to drive investments in this segment, which is creating job opportunities and growth potential for staffing companies.	High	High	High
Presence of Large Pool of Resources	India has a large pool of working age resources which has supported the growth of the Staffing and Payroll Management Services Market. Increasing preference for gig working among millennials is also contributing to the growth of this market. Deploying temporary staff with the required skill set lowers the time and effort spent on training.	High	High	High
Ease of Compliance	India has a complex regulatory compliance requirement with more than 1,500 Acts, 72,000+ compliances and 6,600+ filings across central and state governments. Labour laws have the maximum number of compliance and filing requirements. Various states have implemented their own rules leading to variations in submission dates, formats, regulatory authorities and duty structures among others. Non-compliance can result in severe legal and financial implications for companies. With the adoption of flexi-staffing or temporary staff, compliance related to labour laws become the responsibility of staffing companies and this significantly reduces the efforts required from end users/ clients.	Medium	Medium	Medium
Shorter Hiring Process	Staffing companies have a ready pool of skilled and semi-skilled resources which provides an uninterrupted hiring experience for end users. This significantly reduces the time spent on hiring and on finding the right talent.	Medium	Medium	Medium

Exhibit: Market Restraints and Impact, India, FY2023 – FY2028

Market Restraints		Impact		
		1-2 Years	3-4 Years	5-7 Years
Process Automation and Employee Productivity	IT companies are deploying automated processes so that the employees can handle more work, thereby enhancing productivity or removing human components from tasks with high levels of repetition and low value addition. This trend is expected to bring down the volume of recruitment in the IT industry, thereby affecting IT staffing companies.	Medium	Medium	High
Lack of Long-term Job Security	While temporary staffing may serve as a good entry point for new hires to gain work experience, most people covet long term job security. The lack of long-term job security is an impeding factor in people's willingness to be hired through staffing agencies.	Medium	Medium	Medium

Staffing Solutions Demand from Government Sector: The outsourcing of manpower from the government sector has been steadily increasing in the past and this sector is expected to offer a significant growth potential in the long-term. The government segment is expected to reach INR 373,725.17 million by FY2028, recording a CAGR of 20.7% from FY2023 – FY2028.

- Healthcare Segment: Key staff outsourced in the hospitals are medical staff and Group D positions such as ward assistants, sanitary attendants and housekeeping staff across primary health centres, community health centres, taluk, and district hospitals.
- Education Segment: Teaching staff across schools and colleges, technology/ IT staff, sports staff etc. are being outsourced to staffing companies in the government sector.
- Railways: Key jobs outsourced from Railways are track maintenance, maintenance of signalling systems, overhead equipment maintenance, ticket selling, bed-roll maintenance, and clerical jobs

Competitive Overview and Market Share Analysis

The competitive landscape is highly fragmented in India. Is it estimated that more than 1,000 companies are operating in this space in India. The organised market consists of 20-30 companies and is dominated by international and national companies. Major players in this segment include Quess Corp, Teamlease, FirstMeridian, Randstad, Manpower Group, Adecco, Datamatics Staffing Services Limited, Collabera, Artech Infosystems Pvt. Ltd., Kelly Services etc.

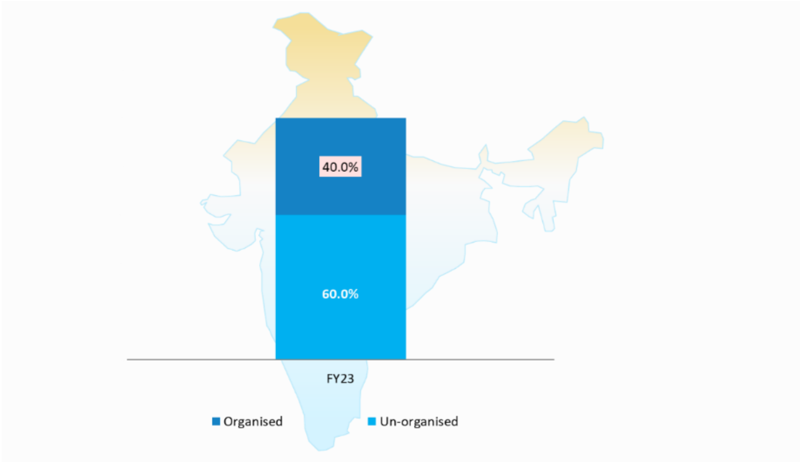
Exhibit: Number of Staffing Associates by Key Companies, India, 2023

S.No.	Company Name	Number of Associates/ FTE
1	Quess Corp	511,000
2	TeamLease	~ 290,000
3	FirstMeridian	~ 127,000
4	Randstad	47,000 (global, CY2022)
5	Adecco	39,000

Source: Company websites

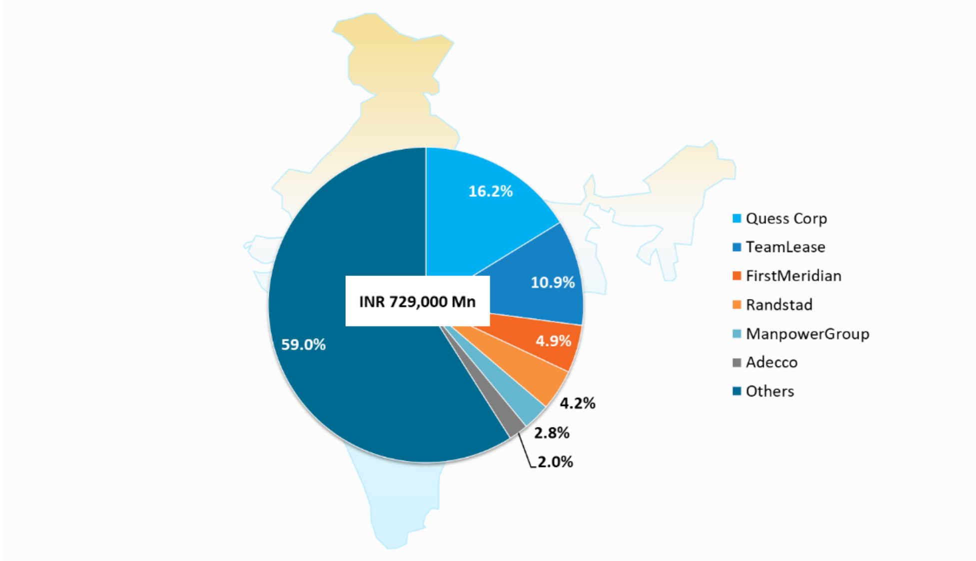
Quess Corp, TeamLease, FirstMeridian, Randstad, and ManpowerGroup are the top five companies in this market with a combined market share of 41.0% of the total market in FY2023. Key competitive advantages of major companies are strong recruitment engine, retention of skilled workforce, statutory compliance, brand reputation, ability to adopt advanced technologies for recruitment processes, nationwide presence and domain expertise across end user segments. Major Integrated Facilities Management companies present in this market are UDS, SIS Limited, Krystal, ISS, Impressions etc.

Exhibit: Staffing and Payroll Management Services Market: Organised versus Unorganized Market Share, FY2023, India



Source: Frost & Sullivan Analysis

Exhibit: Staffing and Payroll Management Services Market: Market Share Analysis, FY2023, India



Others include Collabera, Kelly Services, Allegis, Genius Consultants, Lobo Staffing etc.

Source: Frost & Sullivan Analysis

OVERVIEW OF PRIVATE SECURITY/ MANNED GUARDING SERVICES MARKET IN INDIA

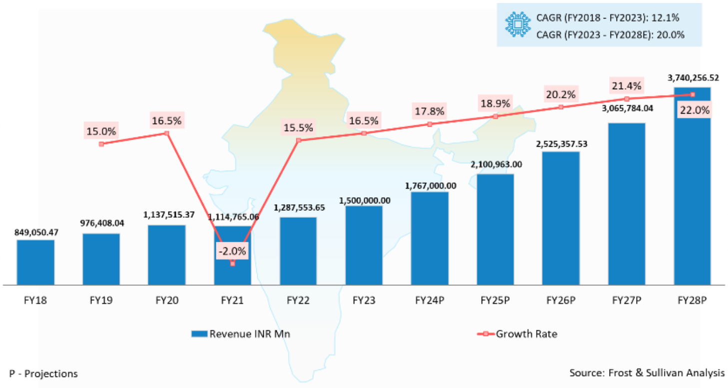
Market Definitions

Manned Guarding provides guarding services at client premises against trespassing, or unauthorised access, intrusion, or occupation, and guarding property against damage and destruction. Key activities under Manned Guarding include surveillance and protection of premises and facilities, security checks, parking safety, background verification, event security, close monitoring and protection, traffic control, transport security, crowd management among others. Manned Guarding Services for the purpose of this report does not include cash services, electronic security services, and security guard training services.

Market Size and Revenue Trend

The Manned Guarding industry is a crucial component of security and safety in the world. Today, private security/ Manned Guarding is responsible not only for protecting the nation's property and critical infrastructure systems, but also for protecting intellectual property and sensitive information. The Manned Guarding Services Market in India has witnessed high growth over the last few years. Growing incidences of terrorist attacks and crimes, and high pace of infrastructure development has led to significant demand for security service personnel. The increase in demand and the gap between requirement and availability of government-employed police personnel has led to substantial growth in Manned Guarding Services in India across end user segments.

Exhibit: Manned Guarding Services Market: Historic and Forecast Revenue Trend, FY2018 – FY2028, India



The Manned Guarding Services Market is valued at INR 1,500,000.00 million in FY2023 and has recorded a CAGR of 12.1% from FY2018 – FY2023. COVID-19 impact on the market is a degrowth of 2.0% in FY2021. Growing security requirements and investments in assets across end user segments are anticipated to drive the demand in the forecast period and the market is expected to grow at a CAGR of 20.0% from FY2023 – FY2028 to reach INR 3,740,256. 52 million.

Evolution of the Manned Guarding Services through trends such as technology adoption and training resulted in improved service delivery, high confidence and willingness to outsource security related services. This also contributed to the growth of the Manned Guarding Services in India. Availability of manpower due to migration of workforce from rural to urban areas and regulations such as minimum wages have also led to the growth of market revenues.

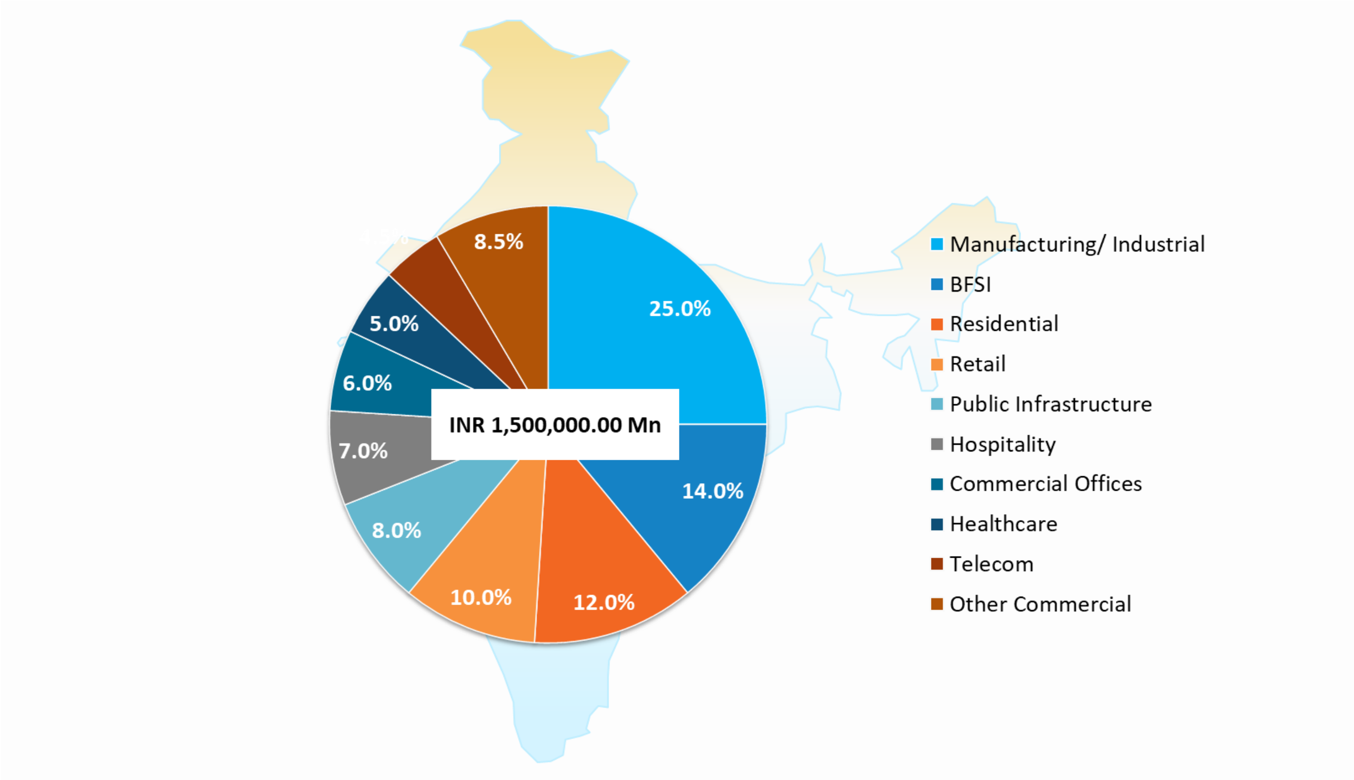
Technology has played a key role in the evolution of service delivery in Manned Guarding Services over the last decade. The level of technology adoption is gradually increasing in India and is influences by factors such as the size of the Manned Guarding Service provide, bespoke needs of the client, and budget allocations. A few of the major trends associated with technology in Manned Guarding Services are listed below:

1. **Access Control Systems:** Many private security companies are adopting access control systems to manage entry and exit points in various facilities. This technology helps in regulating access to restricted areas and tracking the movement of personnel.
2. **Surveillance Cameras**: The use of surveillance cameras, including closed circuit television (CCTV) systems, is becoming more prevalent. Cameras are used for real-time monitoring, recording incidents, and providing evidence in case of security breaches.
3. **Alarm Systems**: Manned Guarding service providers are integrating alarm systems to detect unauthorised access, break-ins, or other security breaches. These systems could trigger alerts for security personnel or central monitoring stations.
4. **Biometric Systems:** Biometric authentication, such as fingerprint or facial recognition, are being incorporated into access control systems to enhance security and accuracy in identifying individuals.
5. **Communication Tools:** Security personnel are using advanced communication tools like two-way radios, mobile phones, and apps to maintain real-time contact with their supervisors and respond promptly to incidents.
6. **Visitor Management Systems:** In industries where visitor access is common, technology-based visitor management systems are being used to streamline the check-in process, verify identities, and create visitor records.
7. **Remote Monitoring:** Remote monitoring solutions are gaining traction, allowing security personnel or central monitoring stations to monitor facilities and respond to incidents from a remote location.
8. **Incident Reporting Software**: Digital incident reporting software is being used to document and report security incidents in a more efficient and organised manner.
9. **Global Positioning System (GPS) Tracking:** GPS tracking technology is being used to monitor the movement of security personnel and assets, ensuring they are where they need to be.

10. **Integration of Systems:** Larger Manned Guarding service providers are moving towards integrating various technology systems, like access control, cameras, and alarms, into a unified security management platform.

Market Segmentation by End User Segments:

Exhibit: Manned Guarding Services Market: Segmentation by End User Segments, FY2023, India



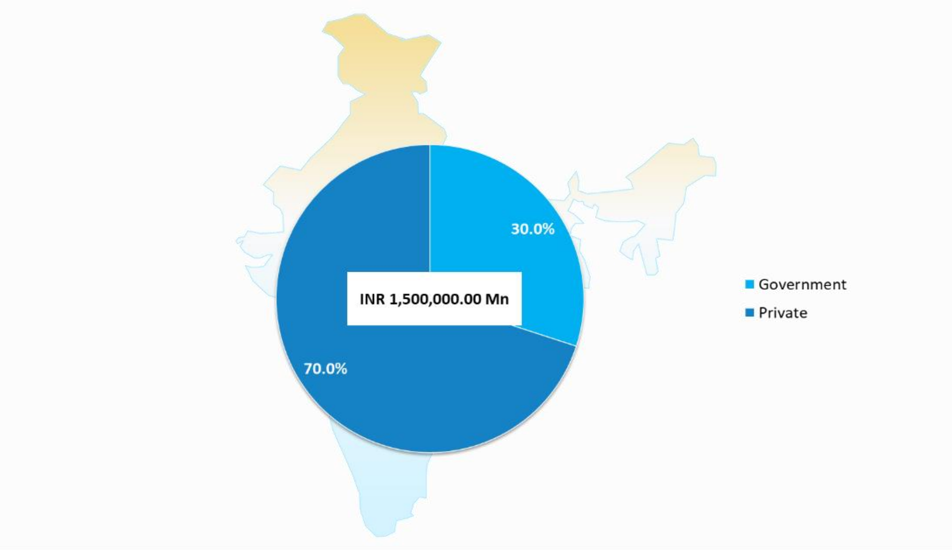
Source: Frost & Sullivan Analysis

Manufacturing and Industrial segment is the largest end user for Manned Guarding Services in India. The end user segment with relatively high penetration among organised companies include BFSI, IT/ITeS, Hospitality, Retail and Public Infrastructure. Increase in banking services and growing number of bank branches and Automated Teller Machine (ATM) installations are driving the demand for Manned Guarding Services from BFSI segment. Investments in retail spaces across Tier 1 and Tier 2 cities in India are also contributing to the demand for Manned Guarding Services. The above segments along with Healthcare and Residential are expected to drive the demand for Manned Guarding Services in the long-term.

Market Segmentation by Government versus Private

Private sector is the largest segment creating demand for Manned Guarding Services in India with a share of 70.0% of the total market in FY2023. Government sectors accounts for the remaining 30.0% of the total market. Key segments within government creating demand for Manned Guarding Services are museums, monuments, archaeological sites, coal field, infrastructural assets, and mega projects among others.

Exhibit: Manned Guarding Services Market: Segmentation by Government versus Private, FY2023, India



Source: Frost & Sullivan Analysis

Market Outlook

There are several factors that drive the demand for Manned Guarding Services in India such as employee safety, growth in events, security concerns, theft and vandalism, asset protection, and loss prevention among others.

Exhibit: Market Drivers and Impact, India, FY2023 – FY2028

Market Drivers		**Impact**		
		1-2 Years	**3-4 Years**	**5-7 Years**
Employee Safety	Companies prioritise the safety of their employees by hiring security personnel to monitor the premises and respond to any security issues. Low police-to-people ratio in India is creating demand for Manned Guarding Services across commercial segments such as Offices, Healthcare, Banking, Retail etc.	High	High	High
Security Concerns	With the rise in crime rates, terrorism, and other security threats, businesses, residential complexes, and public institutions deploy security services to safeguard their premises and people.	High	High	High
Growth in Events	In India, the number of instances of public events have witnessed a significant growth, creating the demand for Manned Guarding Services such as crowd management and security. For significant events such as concerts, sports, exhibitions, and conferences, event organizers hire security personnel to manage crowds, prevent disturbances, and to ensure the event runs smoothly.	High	High	High
Government Initiatives	Compliance in certain end user segments such as educational institutions are generating demand for Manned Guarding Services. Smart Cities Mission, Make-in-India etc. are creating infrastructure assets that require protection.	High	High	High

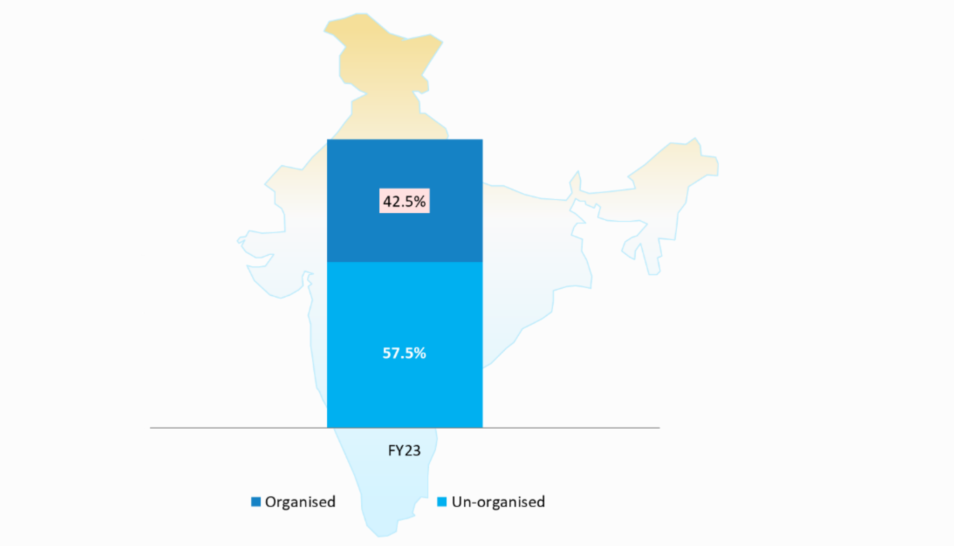
Exhibit: Market Restraints and Impact, India, FY2023 – FY2028

Market Restraints		**Impact**		
		1-2 Years	**3-4 Years**	**5-7 Years**
Skill Shortages	The Manned Guarding Services industry is manpower intensive and requires trained and skilled personnel. However, there is a shortage of adequately trained security professionals, affecting the quality of service and growth potential.	High	High	High
High Attrition Rates	The Manned Guarding Services industry has serious attrition issues. This is caused by a number of factors, including subpar benefits and compensation packages, a poor understanding of the operational environment, and a dearth of possibilities for professional development.	High	High	High
Regulatory Challenges	The Manned Guarding Services Market in India is subject to various regulations, licenses, and permits. Complex regulatory requirements and bureaucratic processes can hinder the ease of doing business and growth for security service providers. For example, Private Security Agencies Act 2005, security guarding licensing, background checks, uniforms and identification, emergency response procedures, insurance requirements etc.	Medium	Medium	Medium

Competitive Overview and Market Share Analysis

The Indian market is defined by the presence of multinational companies and national companies. Multinational companies mostly have a pan India presence, and the national companies have either pan India or regional presence. The market is extremely fragmented in India, with more than 20,000 companies operating in this market. The organised segment comprised of about 40-45% of the total market in FY2023. Key factors influencing the growth of the organised market in India are the strict enforcement of regulations such as minimum wages and social security requirements and increasing preference for organised companies by the end users.

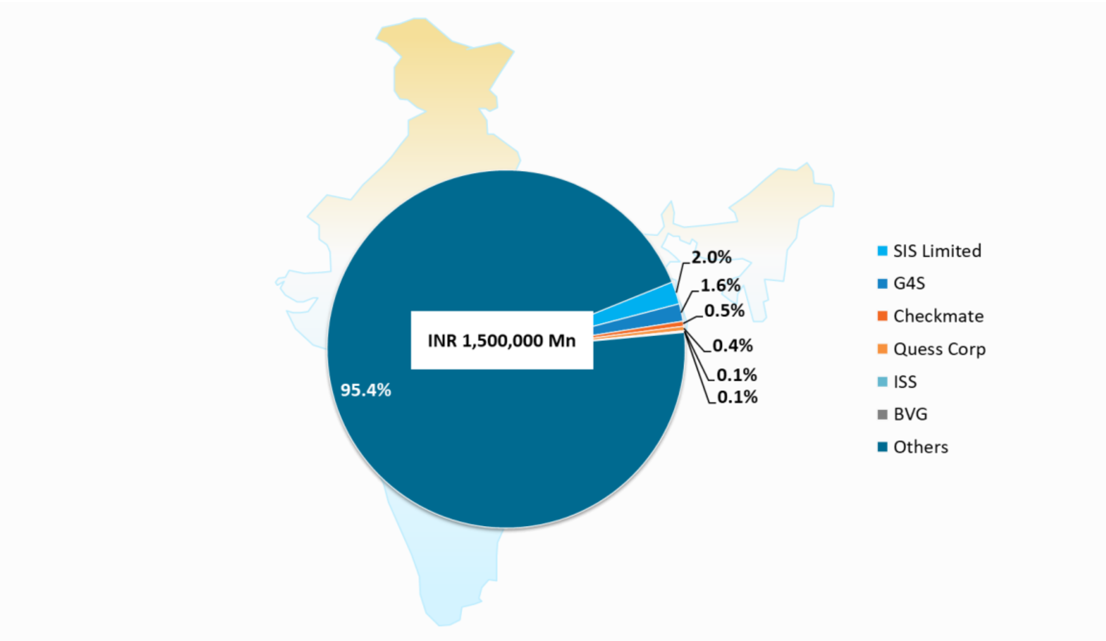
Exhibit: Manned Guarding Services Market: Organised versus Unorganized Market Share, FY2023, India



Source: Frost & Sullivan Analysis

SIS Limited, G4S, Checkmate, Peregrine, ISS, Sentinels, Securitas, Global Security Services, Krystal etc. are some of the major companies operating in this market in India. SIS Limited is the market leader in this highly fragmented market with a share of 2.0% in FY2023.

Exhibit: Manned Guarding Services Market: Market Share Analysis, FY2023, India



Others include Balaji Security Service Inc., Balram Corporate Services Pvt. Ltd., DSS Securitech Pvt. Ltd., Eagle Hunter Solutions Ltd., Fireball India, G 7 Securitas Group, Global Security Services, etc.

Source: Frost & Sullivan Analysis

COMPETITIVE SERVICE MAPPING

Exhibit: Outsourced Integrated Facilities Management Market: Service Portfolio of Major Companies, FY2023, India

Company Name	Soft Services	Hard Services	City Maintenance Services	Production Support Services	Catering Services	Warehouse Management Services	Event Management Services	Airport Management Services	Hospital Management Services	Staffing Services	Manned Guarding Services
Sodexo	✓	✓			✓			✓			
SIS Limited	✓	✓		✓			✓			✓	✓
Quess Corp	✓	✓		✓	✓		✓	✓	✓	✓	✓
BVG	✓	✓	✓				✓	✓			✓
UDS	✓	✓		✓	✓	✓				✓	
VA Tech Wabag			✓								
Compass	✓	✓			✓						
Krystal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISS Facility Services	✓	✓			✓			✓	✓	✓	✓
Impressions	✓	✓	✓	✓		✓	✓			✓	✓
OCS Group	✓	✓			✓	✓	✓	✓	✓		
Rentokil Initial		✓									
SMPL Infra			✓								
L&T Water			✓								
Re Sustainability (Ramky Enviro)			✓								
Anthony Waste			✓								

FINANCIAL BENCHMARKING OF KEY COMPANIES

Exhibit: Financial Information on Revenue from Operations of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	Revenue from Operations			Revenue from Operations CAGR, FY2021 – FY2023
		FY2021	FY2022	FY2023	
Sodexo Group*	Global	USD 21,027.19 Mn	USD 8,976.90 Mn	USD 22,985.92 Mn	4.55%
Compass Group*	Global	USD 25,311.10 Mn	USD 22,734.27 Mn	USD 32,386.27 Mn	13.12%
OCS Group*	Global	USD 1,119.18 Mn	USD 1,141.16 Mn	NA	NA
G4S (before acquisition) ^	Global	USD 8,821.42 Mn	NA	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 16,349.00 Mn	USD 19,411.00 Mn	NA
Securitas~	Global	USD 9,817.63 Mn	USD 9,791.69 Mn	USD 12,102.45 Mn	11.03%
BVG	India	INR 16,629.34 Mn	INR 20,309.19 Mn	INR 23,097.03 Mn	17.85%
UDS	India	INR 12,100.32 Mn	INR 14,835.52 Mn	INR 20,998.87 Mn	31.70%
SIS Limited	India	INR 91,273.04 Mn	INR 100,590.76 Mn	INR 113,457.80 Mn	11.49%
Quess Corp	India	INR 108,368.95 Mn	INR 136,917.78 Mn	INR 171,583.87 Mn	25.83%
Krystal	India	INR 4,712.89 Mn	INR 5,526.76 Mn	INR 7,076.36 Mn	22.54%
CLR	India	INR 2,235.77 Mn	INR 2,860.99 Mn	NA	NA

** FY2021 represents CY2020, FY2022 is CY2021 and FY2023 is CY2022*
^ G4S was acquired by Atlas Ontario in 2021 and hence FY2022 and FY2023 financial information is not available. FY2021 data points represent CY2020
*** Atlas Ontario acquired G4S in CY2021 only. Hence FY2021 financial statements are not considered for the analysis*
~ Securitas financial data is for October – September
NA is Not Available

Exhibit: Financial Information on EBITDA of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	EBITDA			EBITDA Margin			EBITDA CAGR, FY2021 – FY2023
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	
Sodexo Group*	Global	USD 754.28 Mn	USD 959.20 Mn	USD 1,669.88 Mn	3.59%	5.05%	7.26%	48.79 %
Compass Group*	Global	USD 1,408.43 Mn	USD 1,638.30 Mn	USD 2,970.53 Mn	5.56%	7.21%	9.17%	45.23 %
OCS Group*	Global	USD -69.09 Mn	USD 20.69 Mn	NA	-6.17 %	1.81 %	NA	NA
G4S (before acquisition) ^	Global	USD 675.64 Mn	NA	NA	7.66%	NA	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 558.00 Mn	USD 1,267.00 Mn	NA	3.41 %	6.53%	NA
Securitas~	Global	USD 374.47 Mn	USD 453.64 Mn	USD 627.72 Mn	3.81%	4.63%	5.19%	29.47 %
BVG	India	INR 2,260.61 Mn	INR 2,893.77 Mn	INR 2,952.37 Mn	13.59%	14.25%	12.78%	14.28 %
UDS	India	INR 660.64 Mn	INR 782.02 Mn	INR 925.92 Mn	5.46%	5.27 %	4.41 %	18.39 %
SIS Limited	India	INR 2,450.80 Mn	INR 5,011.00 Mn	INR 5,017.40 Mn	2.69%	4.98%	4.42%	43.08 %
Quess Corp	India	INR 4,793.72 Mn	INR 6,290.22 Mn	INR 6,392.49 Mn	4.42%	4.59%	3.73%	15.48 %
Krystal	India	INR 301.05 Mn	INR 454.57 Mn	INR 545.09 Mn	6.39%	8.22 %	7.70%	34.56 %
CLR	India	INR 58.78 Mn	INR 79.32 Mn	NA	2.63 %	2.77 %	NA	NA

EBITDA = Profit before Tax + Interest + Depreciation & Amortisation – Other Income
EBITDA Margin = EBITDA/ Revenue from Operations

Exhibit: Financial Information on PAT of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	PAT (Attributable to owners)			PAT % of Revenue from Operations			PAT CAGR, FY2021 – FY2023
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	
Sodexo Group*	Global	USD -343.35 Mn	USD 151.51 Mn	USD 757.55 Mn	-1.63%	0.80%	3.30%	-

Compass Group*	Global	USD 168.91 Mn	USD 453.39 Mn	USD 1,413.51 Mn	0.67%	1.99%	4.36%	189.28 %
OCS Group*	Global	USD -61.10 Mn	USD 5.40 Mn	NA	-5.46%	0.47%	NA	NA
G4S (before acquisition) ^	Global	USD 194.31 Mn	NA	NA	2.20%	NA	NA	NA
G4S/Atlas Ontario **	Global	NA	USD -603.00 Mn	USD -273.00 Mn	NA	-3.69 %	-1.41%	NA
Securitas~	Global	USD 220.13 Mn	USD 285.10 Mn	USD 392.21 Mn	2.24%	2.91%	3.24%	33.48%
BVG	India	INR 910.02 Mn	INR 1,208.74 Mn	INR 1,265.46 Mn	5.47%	5.95%	5.48%	17.92%
UDS	India	INR 450.35 Mn	INR 552.91 Mn	INR 357.86 Mn	3.72%	3.73%	1.70%	-10.86%
SIS Limited	India	INR 3,654.10 Mn	INR 3,250.69 Mn	INR 3,463.89 Mn	4.00%	3.23%	3.05%	-2.64%
Quess Corp	India	INR 578.77 Mn	INR 2,412.25 Mn	INR 2,244.17 Mn	0.53%	1.76%	1.31%	96.91 %
Krystal	India	INR 168.24 Mn	INR 262.74 Mn	INR 384.44 Mn	3.57 %	4.75 %	5.43 %	51.17 %
CLR	India	INR 12.80 Mn	INR 16.55 Mn	NA	0.57%	0.58%	NA	NA

Exhibit: Financial Information on Earnings per Share (EPS) of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	EPS Basic			EPS Diluted		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	USD -2.35	USD 1.04	USD 5.18	USD -2.35	USD 1.02	USD 5.11
Compass Group*	Global	USD 0.10	USD 0.25	USD 0.80	USD 0.10	USD 0.25	USD 0.80
OCS Group*	Global	USD 1.24	USD 1.16	NA	USD 1.24	USD 1.13	NA
G4S (before acquisition) ^	Global	USD -0.07	NA	NA	USD -0.07	NA	NA
G4S/Atlas Ontario **	Global	NA	USD -0.14	USD -0.07	NA	USD -0.14	USD -0.07
Securitas~	Global	USD 0.60	USD 0.65	USD 0.84	USD 0.60	USD 0.65	USD 0.84
BVG	India	INR 35.05	INR 46.56	INR 48.75	INR 33.95	INR 45.08	INR 47.18
UDS	India	INR 8.53	INR 10.47	INR 6.77	INR 8.47	INR 10.40	INR 6.70
SIS Limited	India	INR 24.85	INR 22.09	INR 23.64	INR 24.73	INR 21.87	INR 23.43
Quess Corp	India	INR 3.92	INR 16.32	INR 15.16	INR 3.87	INR 16.18	INR 15.04
Krystal	India	INR 14.45	INR 22.69	INR 33.33	INR 14.45	INR 22.69	INR 33.33
CLR	India	INR 3.20	INR 4.14	NA	INR 3.20	INR 4.14	NA

Exhibit: Financial Information on Net Worth and Net Asset Value (NAV) per Share of Major Companies, Global & India, FY2021-FY2023

Company Name	Region	Net Worth			NAV per Share (Basic)			NAV per Share (Diluted)		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	USD 3,006.22 Mn	USD 3,453.12 Mn	USD 4,812.35 Mn	USD 20.39	USD 23.42	USD 32.64	USD 20.61	USD 23.25	USD 32.47
Compass Group*	Global	USD 6,083.30 Mn	USD 6,211.57 Mn	USD 7,459.98 Mn	USD 3.67	USD 3.48	USD 4.19	USD 3.67	USD 3.48	USD 4.19
OCS Group*	Global	USD 55.00 Mn	USD 58.31 Mn	NA	USD 0.01	USD 0.01	NA	USD 0.01	USD 0.01	NA
G4S (before acquisition) ^	Global	USD 521.97 Mn	NA	NA	USD 0.34	NA	NA	USD 0.33	NA	NA

G4S/Atlas Ontario **	Global	NA	USD 1,047.00 Mn	USD 541.00 Mn	NA	USD 0.22	USD 0.10	NA	USD 0.22	USD 0.10
Securitas~	Global	USD 1,610.43 Mn	USD 1,892.07 Mn	USD 3,314.58 Mn	USD 4.41	USD 4.32	USD 5.79	USD 4.41	USD 4.31	USD 7.08
BVG	India	INR 7,803.87 Mn	INR 9,040.76 Mn	INR 10,288.86 Mn	INR 300.59	INR 348.23	INR 394.00	INR 292.89	INR 339.31	INR 383.90
UDS	India	INR 2,852.56 Mn	INR 3,404.27 Mn	INR 3,808.93 Mn	INR 54.01	INR 64.45	INR 72.11	INR 53.64	INR 64.01	INR 71.36
SIS Limited	India	INR 18,307.63 Mn	INR 20,712.52 Mn	INR 23,332.93 Mn	INR 124.48	INR 140.76	INR 159.23	INR 123.91	INR 139.35	INR 157.81
Quess Corp	India	INR 23,431.10 Mn	INR 24,377.55 Mn	INR 25,687.51 Mn	INR 159.14	INR 164.95	INR 173.43	INR 156.48	INR 163.50	INR 172.11
Krystal	India	INR 1,360.75 Mn	INR 1,638.55Mn	INR 1,634.12 Mn	INR 236.15	INR 284.36	INR 283.59	INR 236.15	INR 284.36	INR 283.59
CLR	India	INR 365.84 Mn	INR 382.39 Mn	NA	INR 91.58	INR 95.72	NA	INR 91.58	INR 95.72	NA

Net Worth = Shareholders' Equity minus Non-Controlling Interest
Net Asset Value per Share (Basic) = Net Worth/Number of Shares Outstanding
Net Asset Value per Share (Diluted) = Net Worth/ Diluted Number of Shares Outstanding

<u>Exhibit: Financial Information on Net Debt, Debt Equity Ratio and Net Debt/EBITDA of Major Companies, Global & India, FY2021-FY2023</u>

Company Name	Region	Net Debt			Debt Equity Ratio			Net Debt/ EBITDA		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Sodexo Group*	Global	USD 13,682.77 Mn	USD 13,381.93 Mn	USD 14,464.30 Mn	5.26	4.98	3.73	17.39	13.67	8.46
Compass Group*	Global	USD 10,714.99 Mn	USD 10,298.43 Mn	USD 13,792.20 Mn	2.06	2.02	2.17	7.54	6.25	4.62
OCS Group*	Global	USD 292.15 Mn	USD 2,99.86 Mn	NA	7.39	5.87	NA	-17.26	8.77	NA
G4S (before acquisition) ^	Global	USD 4,262.12 Mn	NA	NA	11.68	NA	NA	6.15	NA	NA
G4S/Atlas Ontario **	Global	NA	USD 16.504.00 Mn	USD 16,895.00 Mn	NA	14.63	26.71	NA	25.08	13.26
Securitas~	Global	USD 3,339.70 Mn	USD 3,435.61 Mn	USD 6,619.80 Mn	2.34	2.05	2.17	8.77	7.43	10.19
BVG	India	INR 10,713.40 Mn	INR 9,379.60 Mn	INR 8,414.38 Mn	1.45	1.09	0.87	4.60	3.18	2.81
UDS	India	INR 2,427.20 Mn	INR 4,715.44 Mn	INR 7,144.69 Mn	0.98	1.53	2.14	3.35	5.10	6.75
SIS Limited	India	INR 23,527.11 Mn	INR 23,379.37 Mn	INR 27,137.93 Mn	1.75	1.46	1.45	3.25	4.22	5.08
Quess Corp	India	INR 17,974.52 Mn	INR 24,656.68 Mn	INR 29,503.95 Mn	0.94	1.12	1.24	3.43	3.80	4.43

Krystal	India	INR 404.54 Mn	INR 384.91Mn	INR 1.25 Mn	0.50	0.45	0.31	1.34	0.85	0.00
CLR	India	INR 701.90 Mn	INR 743.44 Mn	NA	2.12	2.30	NA	10.14	8.79	NA

Net Debt = Total Liabilities (Total Debt) – Cash & Cash Equivalents
Debt Equity Ratio = Total Liabilities (Total Debt) /Total Shareholders' Equity

Exhibit: Financial Information on Return on Net Worth, Return on Capital Employed and Working Capital Days of Major Companies, Global & India, FY2021-FY2023

Company Name	**Region**	**Return on Net Worth**			**Return on Capital Employed**			**Working Capital Days in Number of Days**		
		FY2021	**FY2022**	**FY2023**	**FY2021**	**FY2022**	**FY2023**	**FY2021**	**FY2022**	**FY2023**
Sodexo Group*	Global	-11.42%	4.39%	15.74%	1.04%	3.56%	9.38%	-2.31	16.33	14.94
Compass Group*	Global	2.78%	7.30%	18.95%	3.46%	6.06%	13.49%	-4.58	-5.61	-4.98
OCS Group*	Global	-111.10 %	9.26%	NA	-30.90%	3.90%	NA	9.29	1.17	NA
G4S (before acquisition) ^	Global	37.23 %	NA	NA	12.24%	NA	NA	34.21	NA	NA
G4S/Atlas Ontario **	Global	NA	-63.51 %	-66.73 %	NA	-0.04%	3.46%	NA	34.07	23.32
Securitas~	Global	13.67%	15.07%	11.83%	11.23%	12.57%	7.84%	2.18	5.54	27.83
BVG	India	11.66%	13.37%	12.37%	23.39%	26.88%	23.15%	115.16	116.94	124.58
UDS	India	15.79%	16.24%	9.40%	16.91%	15.40%	11.13%	45.71	30.60	17.83
SIS Limited	India	19.96%	15.69%	14.85%	21.36%	14.85%	11.58%	29.14	23.66	31.64
Quess Corp	India	2.47 %	9.90%	8.74%	9.26%	14.31%	11.66%	31.86	19.38	15.82
Krystal	India	12.36%	16.04%	23.53%	19.01%	25.03%	28.82%	55.00	51.00	25.00
CLR	India	3.50%	4.33%	NA	9.64%	11.60%	NA	16.57	15.84	NA

Return on Net Worth = PAT Attributable to Owners/ Total Shareholders' Equity minus Non-Controlling Interest
Return on Capital Employed = (PBT + Finance Costs) / (Total Assets - Current Liabilities)
*Working Capital Days = (Current Assets – Current Liabilities) * 365/ Revenue from Operations*
All financials are calculated based on overall company revenues and not from segmental revenues.
Source: Company Annual Reports

OUR BUSINESS

Certain information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 32, for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" beginning on pages 34, 250 and 310, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023 included herein is derived from our Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 250.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" dated September 21, 2023 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited and commissioned and paid for by us and prepared exclusively in connection with the Offer. We officially engaged Frost & Sullivan (India) Private Limited for purposes of commissioning the F&S Report for the Offer pursuant to an engagement letter dated June 26, 2023. The F&S Report is available at the following web-link: https://krystal-group.com/investor/ . Frost & Sullivan (India) Private Limited is not related in any manner to our Company or any of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel or the BRLM.*

Unless the context otherwise requires, in this section, references to "our Company" and "the Company" refers to Krystal Integrated Services Limited, on a standalone basis, and references to "we", "us" or "our", refers to Krystal Integrated Services Limited, on a consolidated basis.

Overview

We are one of India's leading integrated facilities management services companies, with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors (*Source: F&S Report*). We provide a comprehensive range of integrated facility management service offerings across multiple sectors, and consequently are among select companies in India that have a wide geographic presence and customer base, catering to almost all end-user segments, as on March 31, 2023. (*Source: F&S Report*) Our range of service offerings include soft services such as housekeeping, sanitation, landscaping and gardening, hard services such as mechanical, electrical and plumbing services, solid, liquid and biomedical waste management, pest control and façade cleaning and other services such as production support, warehouse management and airport management services (including multi-level parking and airport traffic management). We also provide staffing solutions and payroll management to our customers, as well as private security and manned guarding services and catering services.

Our strengths in the market include our ability to provide bespoke solutions for integrated facility management requirements, sourcing from OEMs at competitive prices due to excellent long-term relations, best-in-class products, and adoption of smart technology. (*Source: F&S Report*) We are a key solutions provider to the government sector and have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. (*Source: F&S Report*) For Fiscals 2021, 2022 and 2023, our revenue from government contracts amounted to ₹3,271.12 million, ₹4,050.85 million and ₹5,212.75 million, respectively, aggregating to 69.41%, 73.30% and 73.66% of our revenue from operations. We provide services to key government customers in the healthcare, education, airport, railways and metro infrastructure sectors, including to Maha Mumbai Metro Operation Corporation Limited and Education Department, Brihanmumbai Municipal Corporation.

We have also built expertise in catering to the healthcare, education, airport, railways and metro infrastructure sectors, due to our extensive experience, understanding the unique requirements and challenges in such sectors. As of March 31, 2023, we provided our services to 134 hospitals and medical colleges, 224 schools and colleges (other than medical colleges), two airports, four railway stations and 10 metro stations, along with catering services on certain trains/ train routes. The following table sets forth information on the revenue generated by providing services to these sectors, for the periods indicated:

Sector	Fiscal 2021		Fiscal 2022		Fiscal 2023		CAGR (Fiscal 2021 to Fiscal 2023
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	
Healthcare	1,609.12	34.14	2,079.43	37.62	2,664.59	37.65	28.68
Education	1,451.09	30.79	1,030.96	18.65	1,454.30	20.55	0.11
Airport, railways and metro infrastructure	362.09	7.68	347.84	6.29	489.21	6.91	16.24

Our wide portfolio of services enables us to design and deliver a range of customized solutions suited to the specific needs of our customers, which bolsters our customer acquisition and retention capabilities. In Fiscals 2021, 2022 and 2023, we served 262, 277 and 326 customers, respectively. In the same period, the number of customer locations serviced by us has grown from 1,962 as on March 31, 2021, to 2,240 as on March 31, 2022 and 2,427 as on March 31, 2023. During Fiscals 2021, 2022 and 2023, we onboarded 76, 70 and 89 new customers, respectively. Our ability to maintain quality standards while expanding our service offerings to meet evolving industry requirements has resulted in longstanding relationships with our key customers. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years. For Fiscal Year 2023, these four customers contributed to 14.55% of our revenue from operations.

As on March 31, 2023, we serviced customer locations in 14 states and one union territory in India. We have also set up 21 branch offices across India, as on March 31, 2023, to expand our geographical reach. Our wide geographic presence enables us to offer services to customers who prefer a single service provider for their operations at multiple locations. We believe that locating our branches in proximity to our customer premises also results in greater focus on, and attention to, our customers as well as higher quality and customized service delivery.

We are led by a well-qualified and experienced management team, which has robust experience in the sectors in which we operate, and which has demonstrated its ability to manage and grow our business. Our revenue from operations was ₹ 4,712.89 million, ₹5,526.76 million and ₹ 7,076.36 million in Fiscals 2021, 2022 and 2023 respectively. Our total profit for the year (after tax) was ₹ 168.24 million, ₹ 262.74 million and ₹ 384.44 million in Fiscals 2021, 2022 and 2023, respectively. Our EBITDA was ₹ 301.05 million, ₹ 454.57 million and ₹ 545.09 million in Fiscals 2021, 2022 and 2023, respectively, and EBITDA Margins (as a percentage of revenue from operations) were 6.39%, 8.22% and 7.70%, respectively. Our ROE in Fiscal 2021, 2022 and 2023 was 13.18%, 17.37% and 23.18%, respectively, and ROCE in the same periods was 19.01%, 25.03% and 28.82%, respectively. Our revenue from operations, total profit for the year (after tax), and EBITDA grew at a CAGR of 22.54%, 51.17% and 34.56%, respectively, from Fiscal 2021 to Fiscal 2023. We are also among the league of the fastest growing integrated facility management companies in India, registering a CAGR of 22.5% in terms of revenue growth during Fiscal 2021 – Fiscal 2023 (*Source: F&S Report*). Further, our financial performance in Fiscal 2022 was better than most of our peers, who had been impacted by COVID-19 (*Source: F&S Report*).

Our Market Opportunities

In Fiscal 2023, the outsourced integrated facility management market in India was estimated to be worth ₹ 980.8 billion. The outsourced integrated facility management market in India is expected to grow at a CAGR of 14.6% between Fiscal 2023 - Fiscal 2028, with a potential market size of ₹ 1,935.88 billion (*Source: F&S Report*) Public administration, industrial, commercial offices, healthcare, educational institutions, railways and metro, and airports are the top end user segments that are anticipated to drive the demand for integrated facility management between Fiscal 2023 and Fiscal 2028. These eight segments account for 88.1% of the total outsourced integrated facility management market in Fiscal 2023. Rapid urbanization, growth in tourism and service sectors are driving the demand for commercial spaces in India. Increasing high-rise buildings and shared spaces are the current trends in the commercial office segment and these are expected to drive the demand for facility management services in this segment. (*Source: F&S Report*) The outsourced integrated facilities management market opportunity from the government sector in Fiscal 2023 stood at ₹ 492.95 billion and is expected to grow at a CAGR of 16.3% from Fiscal 2023 – Fiscal 2028 to reach ₹ 1,047.31 billion. (*Source: F&S Report*)

The staffing and payroll management services market size in Fiscal 2023 is estimated at ₹ 729 billion. The market grew by a CAGR of 12.0% between Fiscal 2018 – Fiscal 2023. Investments in end user industries such as IT/ITeS, banking, manufacturing, retail, telecom etc. and the increase in outsourcing from the government sector are expected to drive the need for staffing and payroll management services market at a CAGR of 20.1% from Fiscal 2023 to Fiscal 2028 and reach ₹1823.05 billion. (*Source: F&S Report*)

The private security and manned guarding services market in India is valued at ₹1,500 billion in Fiscal 2023 and has recorded a CAGR of 12.1% from Fiscal 2018 – Fiscal 2023. COVID-19 impact on the market is a degrowth of 2.0% in Fiscal 2021. Growing security requirements and investments in assets across end user segments are anticipated to drive the demand in the forecast period and the market is expected to grow at a CAGR of 20.0% from Fiscal 2023 to Fiscal 2028, to reach ₹ 3,740.26 billion. (*Source: F&S Report*)

We further anticipate to benefit from growth in the following key sectors:

Healthcare: The healthcare market in India is being driven by the rising prevalence of lifestyle diseases, increasing demand for affordable healthcare delivery systems due to rising healthcare costs, technological advancements, the emergence of telemedicine, rapid health insurance penetration, government initiatives like e-health, along with tax benefits and incentives. Investments in healthcare infrastructure are anticipated to drive the demand for Integrated Facility Management services over the forecast period. Outsourcing rates are also expected to improve in this segment driven by the need for specialised skills, compliance and to ensure high-quality environment for patient care. (*Source: F&S Report*)

Education: Government initiative such as the 100% foreign investments in educational segment, Revitalising Infrastructure and System in Education (RISE), Education Quality Upgradation and Inclusion Programme (EQUIP) and National Educational Policy 2020 are all expected to bridge the gap in infrastructural demand, particularly in the government sector. With the increase in infrastructure assets and technology adoption in the education segment, the demand for facility management services would increase in the long-term. Sophistication of assets in the segment is expected to drive the outsourcing of facility management, creating opportunities for service providers. (*Source: F&S Report*)

Railways and metro rails: Under the Union Budget 2023-24, a capital outlay of ₹2400 billion (USD 29 billion) has been allocated to the Ministry of Railways. Exponential rise in passenger and freight traffic is expected to be a key driver for investments in assets in the railways segment. Metro rail projects in Bengaluru, Chennai, Delhi, Mumbai, Kanpur, Pune, Noida, Lucknow, Kolkata, Kochi, Jaipur, Hyderabad etc., are under development and once completed would provide growth opportunities for facility management service providers. Manpower shortages, specialised skill sets required to maintain these systems and government's focus to enhance operational efficiency and customer experience are expected to drive the outsourcing of Facility Management services in Railways and Metro segment, which would create tremendous growth potential for Integrated Facility Management solution providers. (*Source: F&S Report*)

Airports: Government of India is privatising airports in India to improve their operational efficiency, boost infrastructure development and to provide world-class services on par with international standards. The government is expected to privatize 20 - 25 airports in India between 2022 and 2025 under the National Monetization Pipeline, across Tier 1, Tier 2 and Tier 3 cities across India. This privatisation effort is expected to increase the outsourcing of airport management services and drive the business potential for integrated facilities management market during Fiscal 2023 – Fiscal 2028. (*Source: F&S Report*)

Industrial/Manufacturing Segment: Special Economic Zones ("**SEZ**") are a key element expected to fuel India's economic expansion. SEZs are regions that have been geographically designated to encourage investments, export-oriented industry, and to make doing business easier. Businesses in these regions benefit from unique regulatory and financial advantages, including tax exemptions, duty-free exports, and investments in infrastructure, among others. Investments in this segment and shifting focus towards operational efficiency and compliance are expected to lead to high outsourcing of maintenance activities from the segment. This would create growth opportunities for Facility Management service providers in the long-term.

Our Competitive Strengths

Comprehensive range of service offerings providing one-stop solution to customers

We provide a comprehensive range of integrated facility management service offerings across multiple sectors, and consequently are among select companies in India that have a wide geographic presence and customer base, catering to almost all end-user segments, as on March 31, 2023. (*Source: F&S Report*) Our wide portfolio of services enables us to deliver a mix of our service offerings and design a range of customized solutions suited to the specific needs of our customers, which bolsters our customer acquisition and retention capabilities. Additionally, as our customers' requirements grow or change, we are able to provide additional services to cater to their needs.

Under our integrated facilities management offerings, we provide soft services such as housekeeping, sanitation, landscaping and gardening, hard services such as mechanical, electrical and plumbing services, solid, liquid and biomedical waste management, pest control, façade cleaning and other services such as production support, warehouse management and airport management services (including multi-level parking and airport traffic management). We also provide private security and manned guarding services to our customers, as well as staffing solutions and payroll management and catering services. During Fiscals 2021, 2022, and 2023, we provided integrated facilities management services to 111, 88 and 105 customers, respectively. As part of our staffing solutions and payroll management services, we provide skilled, semi-skilled and unskilled manpower to our customers as per their requirements. During Fiscals 2021, 2022, and 2023, we provided staffing solutions and payroll management services to 58, 81 and 109 customers, respectively. We also provide private security and manned guarding services to our customers, which consists of providing security solutions, including access control, surveillance, emergency services and patrols. During Fiscals 2021, 2022, and 2023, we provided private security and manned guarding services to 109, 97 and 99 customers, respectively. As part of our catering services, we provide catering from our central kitchen. During Fiscals 2021, 2022, and 2023, we provided catering services to 13, 47 and 67 customers, respectively. For details of our service offerings, see "– *Our Business Operations and Services Offered"* on page 194.

We are able to integrate our service offerings that span across various sectors and require shared expertise and investment in terms of technology, equipment and special manpower training. This enables us to provide a bundled solution of services to each customer that is tailored to its specific needs and cater to their requirements with relevant industry expertise, and to act as a one-stop integrated solution for customers who consequently do not need to engage with multiple vendors or service providers. Our multiple service offerings also allow us to derive operational efficiencies by centralizing certain key functions such as finance and sales and also certain other administrative functions.

Focused business model which is well-positioned to capture favourable industry dynamics

We have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. (*Source: F&S Report*) For Fiscals 2021, 2022 and 2023, our revenue from government contracts amounted to ₹3,271.12 million, ₹4,050.85 million and ₹5,212.75 million, respectively, aggregating to 69.41%, 73.30% and 73.66% of our revenue from operations.

Recently, the integrated facility management services market in India has witnessed increase in outsourcing of facility management from government segment. The government sector is prioritizing quality and service delivery for their clients and in order to achieve higher customer satisfaction, the sector is seeking out professional companies for Facilities Management. (*Source: F&S Report*) The government sector has grown at a CAGR of 10.4% during Fiscal 2018 – Fiscal 2023, higher than the 6% recorded by the private sector during the same period. The outsourced integrated facilities management market opportunity from the government sector in Fiscal 2023 stood at ₹ 492.95 billion and is expected to grow at a CAGR of 16.3% from Fiscal 2023 – Fiscal 2028 to reach ₹ 1,047.31 billion. (*Source: F&S Report*) As per F&S, several initiatives by the government to provide housing to all citizens – such as the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs and the development of Smart Cities in India are projected to have a beneficial impact on the Indian integrated facility management industry in the long-term. (*Source: F&S Report*) Apart from public infrastructure, railways, metros, government hospitals and educational institutions are also expected to increase their outsourcing in the long-term. (*Source: F&S Report*) Further, in the staffing and payroll management services market in India, with the given shortage of manpower, longer recruitment cycles and the awareness of staffing services, the demand from the government sector is expected to increase in the long-term across healthcare, education, railways and public administration. (*Source: F&S Report*) The outsourcing of manpower from the government sector has been steadily increasing in the past and this sector is expected to offer a significant growth potential in the long-term. The government segment is expected to reach INR 373,725.17 million by FY2028, recording a CAGR of 20.7% from FY2023 – FY2028. (*Source: F&S Report*) The government sector also accounts for 30.0% of the total private security and manned guarding services in India in Fiscal 2023. Key segments withing government creating demand for these services are museums, monuments, archaeological sites, coal field, infrastructural assets and mega projects among others. (*Source: F&S Report*)

We have also built expertise in catering to the healthcare, education, airport, railways and metro infrastructure sectors. As of March 31, 2023, we provided our services to 134 hospitals and medical colleges, 224 schools and colleges (other than medical colleges), two airports, four railway stations and 10 metro stations, along with catering services on certain trains/ train routes. The following table sets forth information on the revenue generated by providing services to these sectors, for the periods indicated:

Sector	**Fiscal 2021**		**Fiscal 2022**		**Fiscal 2023**		**CAGR (Fiscal 2021 to Fiscal 2023**
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	
Healthcare	1,609.12	34.14	2,079.43	37.62	2,664.59	37.65	28.68
Education	1,451.09	30.79	1,030.96	18.65	1,454.30	20.55	0.11
Airport, railways and metro infrastructure	362.09	7.68	347.84	6.29	489.21	6.91	16.24

As per F&S, investments in healthcare infrastructure are anticipated to drive the demand for integrated facility management services over Fiscal 2023 – Fiscal 2028. Outsourcing rates are also expected to improve in this segment driven by the need for specialized skills, compliance and to ensure high-quality environment for patient care. In respect of the education sector, government initiative such as the 100% foreign investments in educational segment, Revitalising Infrastructure and System in Education (RISE), Education Quality Upgradation and Inclusion Programme (EQUIP) and National Educational Policy 2020 are all expected to bridge the gap in infrastructural demand, particularly in the government sector. With the increase in infrastructure assets and technology adoption in the education segment, the demand for facility management services would increase in the long-term. Sophistication of assets in the segment is expected to drive the outsourcing of facility management, creating opportunities for service providers. (*Source: F&S Report*) The government of India announced that 100 additional airports would be developed in the country by 2024 under the Ude Desh ka Aam Naagrik (UDAN) program. The Government of India is also privatising airports in India to improve their operational efficiency, boost infrastructure development and to provide world-class services on par with international standards. The government is expected to privatize 20 - 25 airports in India between 2022 and 2025 under the National Monetization Pipeline, across Tier 1, Tier 2 and Tier 3 cities across India. This privatisation effort is expected to increase the outsourcing of airport management services and drive the business potential for integrated facilities management market during Fiscal 2023 to Fiscal 2028. (*Source: F&S Report*) As per F&S, government's focus to enhance operational efficiency and customer experience are also expected to drive the outsourcing of facility management services in railways and metro segment, which would create growth potential for integrated facility management solution providers. (*Source: F&S Report*)

Longstanding relationship with customers across diverse sectors, with recurring business

In Fiscals 2021, 2022 and 2023, we served 262, 277 and 326 customers, respectively. In the same period, the number of customer locations serviced by us has grown from 1,962 as on March 31, 2021, to 2,240 as on March 31, 2022 and 2,427 as on March 31, 2023. Our ability to maintain quality standards while consistently expanding our service offerings to meet evolving industry requirements has resulted in longstanding relationships with our key customers. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years. For Fiscal Year 2023, these four customers contributed to 14.55% of our revenue from operations. The below table sets forth certain information of our top 10 customers (by revenue generated in Fiscal 2023) and their period of association with us:

Name	**Revenue generated (₹ million)**			**Period of association (Number of years)**
	Fiscal 2021	**Fiscal 2022**	**Fiscal 2023**	
Customer 1 (Government sector)	1,429.01	1,894.48	2,470.15	3
Customer 2 (Government sector)	629.33	423.60	672.73	9
Customer 3 (Private sector)	295.85	292.42	381.21	16
Customer 4 (Government sector)	639.49	338.84	342.64	7
Customer 5 (Government sector)	154.62	150.69	321.70	14
Customer 6 (Government sector)	-	247.07	259.10*	1*

Customer 7 (Government sector)	-	-	201.43	1
Customer 8 (Private sector)	159.18	162.22	165.12	16
Customer 9 (Private sector)	227.82	177.65	161.49	16
Customer 10 (Government sector)	-	133.93	160.20	2

Contract expired on October 31, 2022.

During Fiscals 2021, 2022 and 2023, other than government contracts which are awarded through competitive bidding process, all relevant customers whose contracts were expiring during the respective financial year, either renewed or extended their contracts with us. We believe that our effort to develop a consultative, long-term partnership model of service delivery has enabled us to not only effectively capitalize on such customers' increasing service requirements, but also increase our market share and reduce the revenue and earnings uncertainty associated with the short-term nature of most of our contracts with non-government customers.

Further, with respect to government contracts, while a fresh competitive bidding process typically follows expiry of the term, our experience and existing investment on manpower and machinery allow us to bid competitively for such projects. During Fiscals 2021, 2022 and 2023, we were able to successfully extend or renew Nil, 40.00% and 42.86% of our government contracts that were expiring in the respective years.

Our customers range across a variety of industries and sectors, including healthcare, education, airport, railways and metro infrastructure, retail, and banking and financial services, which reduces our vulnerabilities to economic cycles. We believe our ability to offer customized facility management services, staffing solutions and private security to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers and enables us to target a greater share of their requirements. We believe that we have been able to retain existing customers and attract new customers because of our brand, market position and delivery of quality services across sectors.

Wide geographic presence with large and efficient workforce, coupled with strong recruitment and training capabilities

As on March 31, 2023, we serviced 2,427 customer locations in 14 states and one union territory in India. Our wide presence enables us to offer services to customers who prefer a single service provider for their operations at multiple locations. For instance, as on March 31, 2023, we serviced over 200 locations each for four existing customers.

Customer Name	No. of customer locations	No. of States and UTs	Services Offered
Customer A (Private Sector)	213	13	Staffing and Payroll Management Private Security and Manned Guarding
Customer B (Private Sector)	267	8	Staffing and Payroll Management Private Security and Manned Guarding
Customer C (Government Sector)	254	1	Integrated Facility Management Services
Customer D (Government Sector)	268	1	Integrated Facility Management Services

We are able to deliver these services through a network of 21 branch offices spread across key geographies, as on March 31, 2023. We believe that locating our branch offices in proximity to our customer premises also results in greater focus on, and attention to our customers as well as higher quality and customized service delivery.

Period	Number of customer locations	Number of states and union territories	Number of branch offices	Number of on-site employees
As on March 31,	1,962	15	16	26,999

2021				
As on March 31, 2022	2,240	15	18	29,103
As on March 31, 2023	2,427	15	21	31,881

Our operations are further supported by a large pool of 39,676 on-site employees, as on August 31, 2023. As on August 31, 2023, our dedicated recruitment and training teams comprised of three and 14 employees, respectively. On May 1, 2023, we launched the 'Krystal Integrated Training Academy' in Vashi, Maharashtra to train security guards, house keepers and facility attendants employed by us, as well as area officers and supervisors. We provide training in house, on sites and also as a part of refresher course and through other methods based on training needs.

Our wide geographic presence enables us to recruit, train and deploy resources at various customer locations within a short span of time and enables us to respond to changing customer requirements, efficiently and effectively. This presence also allows us to monitor the work of our employees at various customer locations and to administer to the needs of our employees quickly and in a manner relevant to them, keeping local requirements in mind. We believe that our personnel recruitment and training initiatives drive quality assurance, and ensure that we deliver uniform satisfactory services to our customers across locations. We have a strong track record of high employee satisfaction and improving retention rates. (*Source: F&S Report*) Our attrition rate for Fiscals 2021, 2022 and 2023 was 22.00%, 35.88% and 31.38%, respectively.

Historical track-record of strong financial performance, with a scalable, agile and efficient business model

We have delivered strong and consistent financial growth since Fiscal 2021. Key details of our financial performance in Fiscals 2021, 2022 and 2023 are as follows:

(₹ million unless specified otherwise)

Particulars	**As of and for the year ended**		
	March 31, 2021	**March 31, 2022**	**March 31, 2023**
Revenue from operations	4,712.89	5,526.76	7,076.36
Total profit for the year (after tax)	168.24	262.74	384.44
EBITDA	301.05	454.57	545.09
ROE (%)	13.18%	17.37%	23.18%
ROCE (%)	19.01%	25.03%	28.82%

Our revenue from operations, total profit for the year (after tax), and EBITDA grew at a CAGR of 22.54%, 51.17% and 34.56%, respectively, from Fiscal 2021 to Fiscal 2023. Our ROE has improved from 13.18% in Fiscal 2021 to 23.18% in Fiscal 2023, while our ROCE has improved from 19.01% in Fiscal 2021 to 28.82% in Fiscal 2023.

We believe our consistent growth since Fiscal 2021 is attributable to our scalable and agile business model. Our presence across 14 states and one union territory in India allows us to deploy new customer locations faster and efficiently. We have also implemented standardized recruitment, training, deployment, operations and services related processes across our operations, to enable growth without compromising on the quality of services delivered. Due to our comprehensive service offerings, we are also able to provide new service offerings to existing customers to meet their business requirements, as well as to onboard new customers across sectors. For instance, we provide end-to-end warehouse management services to certain customers, where we are able to also draw upon our experience in facility management and waste management. We also provide sanitation services for docks and ships, using non-corrosive agents meeting a customer's requirements, leveraging our experience in facility management. In the past, we have also been able to adapt our service offerings to changing market demands and macro-economic environment. For instance, during the COVID-19 pandemic, we provided manpower, material and machinery to 95 government hospitals and schools in Tamil Nadu, which were being used as temporary healthcare centres. We also provided sanitation services in residential complexes as well as commercial premises during COVID-19, and were subsequently also engaged to provide cleaning and sanitation services to various commercial premises as they resumed on-site operations in Fiscals 2021 and 2022.

Track record of high quality and efficient service delivery

We have consistently focused on providing quality services and follow a process-oriented approach to achieve this. We have adopted standardized processes to ensure consistent service levels across our verticals and geographies, including adopting standardized workflow checklists and cleaning schedules for effective cleaning and quality assurance. We follow stringent quality standards and as of March 31, 2023, we have received several quality certifications for our management systems including ISO 9001:2015 (quality management system), ISO 14001:2015 (environmental management system), ISO 45001:2018 (occupational health and safety management system), and ISO/ IEC 27001:2013 (information security management system). We typically appoint supervisors at the locations, who are responsible for conducting quality checks including periodic maintenance work, and also identifying areas for improvement. Subject to project requirements, we also deploy an experienced team at new locations to establish work processes and train the local team to adhere to quality standards. We believe our focus on providing quality services has allowed us to strengthen relationships with our customer base. We also believe our approach towards providing quality services differentiates us in a market which is characterized by low barriers of entry, supported by appropriate training to our employees and focus on customer requirements. Our ability to maintain quality standards despite expanding our service offerings is demonstrated by our longstanding relationships with key customers, as well as contract renewal rates. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years. During Fiscals 2021, 2022 and 2023, other than government contracts which are awarded through competitive bidding process, all relevant customers whose contracts were expiring during the respective financial year, either renewed or extended their contracts with us. We also have an experienced in-house machine and maintenance team, which focuses on developing long-term and short-term maintenance programs, technical assessments and inspections, and machine servicing and maintenances, with an aim to reduce downtimes.

Our Business Strategies

We believe we have a significant opportunity in our markets and focus areas given our differentiated value proposition of providing high-quality, innovative services at compelling value. In view of this, and the underlying trends as discussed in "– *Our Market Opportunities*" on page 184, set forth hereunder are our key business strategies:

Retain, strengthen and grow customer base

We have grown our customer base from 262 in Fiscal 2021 to 326 in Fiscal 2023. In the same period, the number of customer locations serviced by us has grown from 1,962 as on March 31, 2021, to 2,427 as on March 31, 2023. In addition to onboarding new customers, we strived to retain our existing customers. During Fiscals 2021, 2022 and 2023, other than government contracts which are awarded through competitive bidding process, all relevant customers whose contracts were expiring during the respective financial year, either renewed or extended their contracts with us. Further, with respect to government contracts, while a fresh competitive bidding process typically follows expiry of the term, we were able to successfully extend or renew Nil, 40.00% and 42.86% of our government contracts that were expiring in Fiscals 2021, 2022 and 2023 respectively.

We will continue to focus on retaining, strengthening and growing our customer base. We have a strong sales and marketing team consisting of 16 employees, as on August 31, 2023, who focus on customer development and maintaining customer relationships across our business verticals. We intend to capitalize on the expected growth in the relevant markets owing to our track record and our ability to effectively undertake our services, by targeting not only our existing customers, but also new customers. We also aim to leverage our wide range of offerings and presence to offer bundled services to each customer across regions, thereby acting as a one-stop integrated solution for customers who consequently would not need to engage with multiple vendors or service providers, leading to increased wallet share from our customers. We will also continue to engage with our customers to develop a consultative, long-term partnership model of service delivery, which allows us to effectively capitalize on such customers' increasing service requirements, but also increase our market share and reduce the revenue and earnings uncertainty associated with the short-term nature of most of our contracts with non-government customers. In the government sector, where contracts are typically awarded through a competitive bidding process, we intend to further optimize our bid selection and pricing strategies, and to meet the qualifying criteria for such contracts.

Strengthen operations across sectors by capitalizing on growing industry opportunities and adopting a sector wise focus

We intend to continue to focus on government customers, as well as on the healthcare, education, airport, railways and metro infrastructure and manufacturing and industrial sectors, to benefit from and capitalize on favourable industry dynamics.

We have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. (*Source: F&S Report*) We have also built expertise in catering to the healthcare, education, airport, railways and metro infrastructure sectors. As of March 31, 2023, we provided our services to 134 hospitals and medical colleges, 224 schools and colleges (other than medical colleges), two airports, four railway stations and 10 metro stations, along with catering services on certain trains/ train routes.

In Fiscal 2023, the outsourced integrated facility management market was estimated to be worth ₹ 980.8 billion. The outsourced integrated facility management market in India is expected to grow at a CAGR of 14.6% between Fiscal 2023 - Fiscal 2028, with a potential market size of ₹ 1,935.88 billion. Within the integrated facility management services market, the government sector has grown at a CAGR of 10.4% during Fiscal 2018 – Fiscal 2023, higher than the 6% recorded by the private sector during the same period. The outsourced integrated facilities management market opportunity from the government sector in Fiscal 2023 stood at ₹ 492.95 billion and is expected to grow at a CAGR of 16.3% from Fiscal 2023 – Fiscal 2028 to reach ₹ 1,047.31 billion. (*Source: F&S Report*)

As per F&S, investments in healthcare infrastructure are anticipated to drive the demand for integrated facility management services over Fiscal 2023 – Fiscal 2028. Outsourcing rates are also expected to improve in this segment driven by the need for specialized skills, compliance and to ensure high-quality environment for patient care. In respect of the education sector, government initiative such as the 100% foreign investments in educational segment, Revitalising Infrastructure and System in Education (RISE), Education Quality Upgradation and Inclusion Programme (EQUIP) and National Educational Policy 2020 are all expected to bridge the gap in infrastructural demand, particularly in the government sector. With the increase in infrastructure assets and technology adoption in the education segment, the demand for facility management services would increase in the long-term. Sophistication of assets in the segment is expected to drive the outsourcing of facility management, creating opportunities for service providers. (*Source: F&S Report*) The government of India announced that 100 additional airports would be developed in the country by 2024 under the Ude Desh ka Aam Naagrik (UDAN) program. The Government of India is also privatising airports in India to improve their operational efficiency, boost infrastructure development and to provide world-class services on par with international standards. The government is expected to privatize 20 - 25 airports in India between 2022 and 2025 under the National Monetization Pipeline, across Tier 1, Tier 2 and Tier 3 cities across India. This privatisation effort is expected to increase the outsourcing of airport management services and drive the business potential for integrated facilities management market during Fiscal 2023 to Fiscal 2028. (*Source: F&S Report*) Further, the Indian government is shifting its attention to domestic markets and manufacturing with the passage of the Development Enterprise and Services Hub (DESH) Bill 2022 and by upgrading the special economic zones to become World Trade Organisation (WTO) compliant. By incorporating several economic zone types, such as special economic zones, coastal economic zones, and food and agriculture economic zones, the law is anticipated to bring about a paradigm change. (*Source: F&S Report*) As per F&S, government's focus to enhance operational efficiency and customer experience are also expected to drive the outsourcing of facility management services in railways and metro segment, which would create growth potential for integrated facility management solution providers. (*Source: F&S Report*)

Our key customers in the healthcare, education, airport, railways and metro infrastructure sectors include National Health and Education Society, Maha Mumbai Metro Operation Corporation Limited, Education Department, Brihanmumbai Municipal Corporation, PD Hinduja Hospital, National Cancer Institute, Terna Speciality Hospital and Research Centre and AAI Cargo Logistics & Allied Services Company.

Capitalise and build upon human resource strength, including recruiting and training capabilities.

The services we offer are manpower intensive and we hire a considerable number of personnel every year to sustain our growth. As on March 31, 2021, March 31, 2022 and March 31, 2023, the number of our on-site employees was 26,999, 29,103 and 31,881, respectively. As on August 31, 2023, our number of on-site employees has grown to 39,676. We have a strong track record of high employee satisfaction and improving retention rates. (Source: F&S Report) Our attrition rate for Fiscals 2021, 2022 and 2023 was 22.00%, 35.88% and 31.38%, respectively.

We intend to continue to focus on recruitment of employees to meet our business needs, as well as on retaining our employees and improving retention rates. As on August 31, 2023, we had a dedicated recruitment team of three employees. As on the date of this Draft Red Herring Prospectus, Colonel (Retd.) Rajeev Ranjan, Vice President – Recruitment heads our operational recruitment team. Having experience of over 24 years with the Indian Army, he has been associated with our Company since August 11, 2023. We leverage various channels like print media, digital advertisements and job fairs for our recruitment. The decisions in respect of selection and hiring of employees are made solely on the basis of the job requirements and our focus is to recruit applicants who are suitably qualified and trainable for employment. We hire employees on a regular, temporary, contractual and trainee basis and conduct reference checks for all our candidates before appointment, including feedback from the referees where applicable.

In order to develop employee capabilities and facilitate retention, we also intend to continue to focus on their training and development needs. In order to sustain and improve performance and future potential, employees are provided opportunities for training and development through specific training program based on customer needs and requirements. Further, on May 1, 2023, we launched the 'Krystal Integrated Training Academy' in Vashi, Maharashtra to train security guards, house keepers and facility attendants employed by us, as well as area officers and supervisors. The facility is headed by Colonel (Retd.) Tushar Joshi, Vice President - Training and Quality in Operations, having over 18 years of experience with the Indian Army, who currently heads the training and development functions in our Company. As part of our training programs at the facility, we lay particular focus on physical fitness, grooming, security, first-aid and fire-fighting for our security guards, as well as on grooming, specialised cleaning, safety and waste management for house keepers and facility attendants. In addition to the training provided at our facility, we also provide training on-site to our employees if needed.

Focus on operational efficiency.

Our ROE in Fiscal 2021, 2022 and 2023 was 13.18%, 17.37% and 23.18%, respectively, and ROCE in the same periods was 19.01%, 25.03% and 28.82%, respectively. We intend to continue to focus on improving our operational efficiency to improve returns, including by increased technology integration in our business. For instance, in June 2023, we implemented our application, KAS, on a pilot basis. Through KAS, we aim to increase productivity through streamlining and real-time tracking of workflows. The application enables automation of services by allowing team members to digitally update the status of assigned tasks at each location. Quality controls such as image-based verification of tasks, GPS-location linked attendance marking, and an online ticketing system are also enabled by the KAS application.

We further believe that improving operational efficiency requires implementing common best practice processes to reduce the cost of support functions and increase group synergies, and will continue to implement measures towards standardizing our processes. In this respect, we have implemented standardized recruitment, training, deployment, operations and services related processes across our operations, to enable growth without compromising on the quality of services delivered. On May 1, 2023, we launched the 'Krystal Integrated Training Academy' in Vashi, Maharashtra to train security guards, house keepers and facility attendants employed by us, as well as area officers and supervisors. The facility is headed by Colonel (Retd.) Tushar Joshi, Vice President - Training and Quality in Operations, having over 18 years of experience with the Indian Army, who currently heads the training and development functions in our Company . As part of our training programs at the facility, we lay particular focus on physical fitness, grooming, security, first-aid and fire-fighting for our security guards, as well as on grooming, specialised cleaning, safety and waste management for house keepers and facility attendants. In addition to the training provided at our facility, we also provide training on-site to our employees if needed.

Continue to improve our profits and operating margins.

During Fiscals 2021, 2022 and 2023, our total profit for the year (after tax) was ₹ 168.24 million, ₹ 262.74 million and ₹ 384.44 million respectively. Our EBITDA was ₹ 301.05 million, ₹ 454.57 million and ₹ 545.09 million in Fiscals 2021, 2022 and 2023, respectively. Our total profit for the year (after tax) and EBITDA grew at a CAGR of 51.17% and 34.56%, respectively, from Fiscal 2021 to Fiscal 2023. For Fiscals 2021, 2022, and 2023, our EBITDA Margins (as a percentage of revenue from operations) were 6.39%, 8.22% and 7.70%, respectively.

We intend to continue to focus on improving our profitability and operating margins, including by offering more value-added services to existing and to new customers, which is expected to result in lower percentage increases in our fixed costs as compared with our revenues, and by leveraging technology in our service delivery, which is expected to further lower our fixed costs and improve operational efficiency.

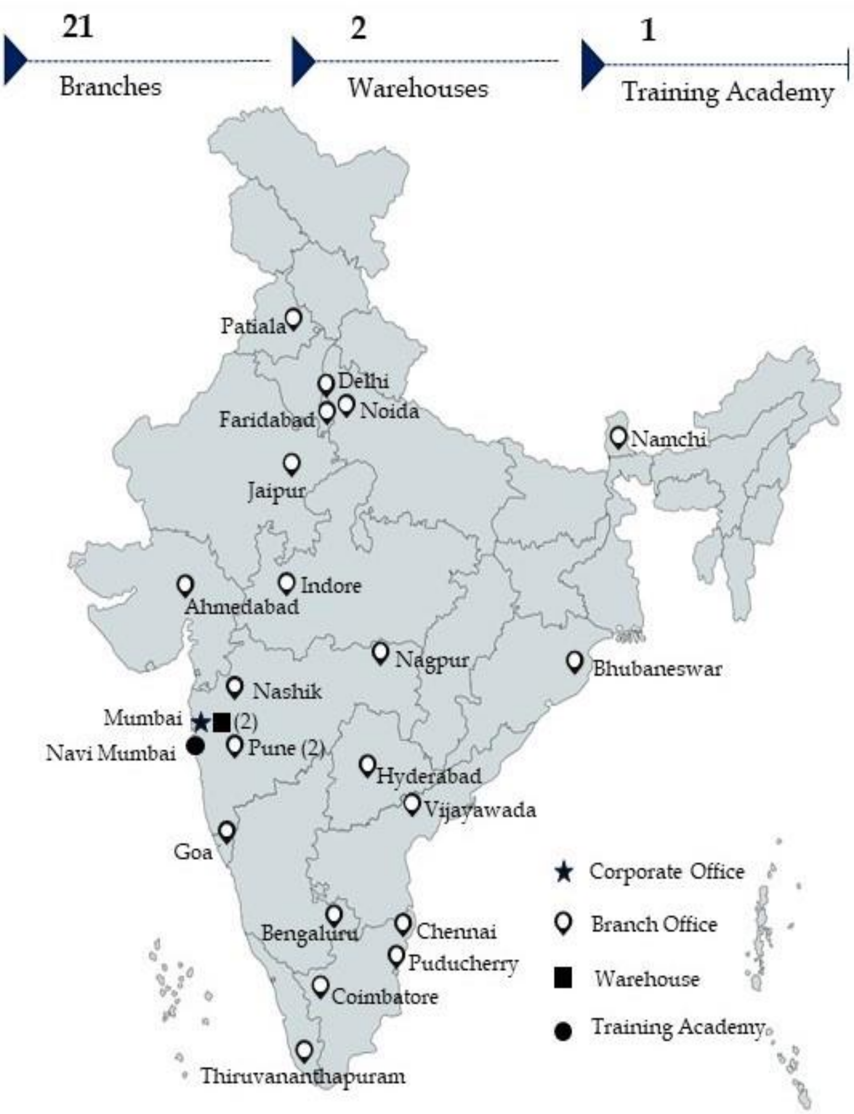
Impact of COVID-19

Since the end of calendar year 2019, COVID-19 pandemic spread to a majority of countries across the world, including India. Governments across the world instituted measures in an effort to control the spread of COVID-19, including lockdowns, quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. However, we continued to provide manpower and facility management services for hospitals, as well as for sanitation services in commercial and residential complexes. For instance, during the COVID-19 pandemic, we provided manpower, material and machinery to 95 government hospitals and schools in Tamil Nadu, which were being used as temporary healthcare centres. We also provided sanitation services in residential complexes as well as commercial premises during COVID-19, and were subsequently also engaged to provide cleaning and sanitation services to various commercial premises as they resumed on-site operations in Fiscals 2021 and 2022. We were able to improve our revenue from operations and total profit for the year (after tax) in Fiscal 2021, as compared to the preceding financial year. Our revenue from operations and total profit for the year (after tax) further improved in Fiscal 2022, which saw numerous government lock-downs and disruptions due to the subsequent waves of the pandemic. As per F&S, our financial performance in Fiscal 2022 was better than most of our peers, who had been impacted by COVID-19. (*Source: F&S Report*).

Our Presence

We are among select companies in India that have a wide geographic presence (*Source: F&S Report*), serving 326 customers across 2,427 customer locations, with a workforce of 31,881 employee personnel, as of March 31, 2023. As of March 31, 2023, we had 21 branch offices and two warehouses located in 14 states and one union territory in India. We also have a training centre in Vashi where we train security guards, house keepers and facility attendants employed by us, as well as area managers and supervisors. For details regarding our training initiatives please see "*– Human Resource and Training Initiatives*" on page 199.

The map below illustrates the geographic spread of our network across India, as of March 31, 2023:



Our Business Operations and Services Offered

We are one of India's leading integrated facilities management services companies, with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors (*Source: F&S Report*). We provide a comprehensive range of integrated facility management service offerings across multiple sectors, and consequently are among select companies in India that have a wide geographic presence and customer base, catering to almost all end-user segments, as on March 31, 2023. (*Source: F&S Report*) As of March 31, 2023, our service offerings include integrated facility management services, staffing and payroll, private security and manned guarding and catering services.

The following table sets forth certain information relating to the revenue from operations from each of our business verticals in the last three Fiscals:

Business Vertical	Fiscal ended March 31, 2021		Fiscal ended March 31, 2022		Fiscal ended March 31, 2023	
	Revenue *(₹ in million)*	As a % of Total Revenue from Operations	Revenue *(₹ in million)*	As a % of Total Revenue from Operations	Revenue *(₹ in million)*	As a % of Total Revenue from Operations
Integrated Facility Management Services	3,348.13	71.04	3,230.91	58.46	4,272.98	60.38
Staffing and Payroll Management	718.40	15.24	1,474.94	26.69	1,784.11	25.21
Private Security and Manned guarding	611.78	12.98	772.86	13.98	924.46	13.06
Catering	34.58	0.73	48.05	0.87	94.81	1.34
Total	4,712.89	100	5,526.76	100	7,076.36	100

Set forth below are certain details of our offerings:

Integrated Facility Management Services

In Fiscal 2021, 2022 and 2023, we offered integrated facility management services to 111, 88 and 105 customers, across 1,151, 884 and 1,011 customer locations in India, respectively. We offered these services to customers in the healthcare, education, retail, manufacturing and airport, railway and metro infrastructure sectors. Our major customers to whom these services are provided include the Education Department, Brihanmumbai Municipal Corporation, Innovative Retail Concepts Private Limited, Federal Mogul Goetze India Limited, The Phoenix Mills Limited, PD Hinduja Hospital, National Cancer Institute and Maha Mumbai Metro Operation Corporation Limited.

Our range of integrated service offerings include soft services such as housekeeping, sanitation, landscaping and gardening, hard services such as mechanical, electrical and plumbing services, solid, liquid and biomedical waste management, pest control, façade cleaning and effluent treatment and other services such as production support services, warehouse management and airport management services (including multi-level parking and airport traffic management). The wide range of our integrated facility management services segment allows us to provide a bundled solution of services to each customer, tailored to its specific needs and requirements, making us a one-stop integrated solution for customers.

Soft Services

A description of our soft services has been provided below:

- *Housekeeping and cleaning services:* We offer a wide range of commercial and industrial cleaning services throughout India with specific focus on quality, efficiency, and sustainable service delivery models.

- *Landscaping and gardening:* We are responsible for the upkeep of landscapes and gardens at our customers' locations through, trimming of grass, setting up of new gardens and general maintenance.

- *Disinfecting and sanitizing services:* We thoroughly clean and disinfect the premises, including surfaces, equipment, and common areas. This typically involves the use of specialized cleaning agents, disinfectants, and equipment to remove dirt, grime, and bacteria.

Hard Services

A description of our hard services has been provided below:

- *Pest control:* We offer pest control services to commercial establishments using government authorized treatments and solutions that follow modern practices in the industry and are in compliance with the environmental safety protocols and environmental, health and safety norms.

- *Facade cleaning:* We offer cleaning and maintenance services for the external glass facades of buildings used by our customers.

- *Mechanical, electrical, and plumbing services:* We provide mechanical, electrical, and plumbing maintenance works for retail outlets and other premises. These services include cleaning and replacing air filters, inspecting, and testing fire protection systems, and performing regular maintenance on HVAC equipment and monitoring energy usage.

- *Solid, Liquid, and Biomedical Waste Management:* Our waste management includes the process collection of solid and biomedical waste from various sources, such as offices, restrooms, kitchens and public areas, transportation to designated disposal sites, treatment to reduce its environmental impact and then disposal or discharge depending on the nature of the waste. We also offered effluent treatment which comprises designing, building and commissioning of common effluent treatment plants, as well as their upgrade and expansion. Through this, we offer comprehensive liquid waste management solutions including supervised engineering and construction of the plant, and ancillary services such as security and pest control on the plant premises. In addition, we are required to establish effective quality control mechanisms such as regular sampling and testing with accredited laboratories at regular intervals. We also offer operation and maintenance services for these plants.

Other Services

A description of our other services has been provided below:

- *Production Support Services:* Our service offerings include handling, transportation, loading and unloading of materials in the production chain.

- *Warehouse Management Services*: Our service offerings include storage and dispatch services, loading. unloading and shifting of materials at warehouse and storage units.

- *Airport Management Services*: We offer services to private airports including cleaning of airports, multi-level parking, and traffic management.

Staffing Solutions and Payroll Management

In Fiscal 2021, 2022 and 2023, we offered staffing solutions and payroll management services to 58, 81 and 109 customers, across 653, 1,206 and 1,263 customer locations in India, respectively. We offered these services to customers in the banking, public administration, education, manufacturing and retail sectors. Our major customers to whom these services are provided include HDFC Bank Limited.

These services generally comprise recruitment, payroll, and human resource services. As part of our staffing solutions and payroll management services, we provide skilled, semi-skilled and unskilled manpower to our customers as per their requirements. We also seek to ensure all staff are properly trained and equipped to carry out their duties, and that they have the necessary permits and licenses, where required.

Private Security and Manned Guarding

In Fiscal 2021, 2022 and 2023, we offered private security and manned guarding services to 109, 97 and 99 customers, across 281, 250 and 288 customer locations in India, respectively. We offered these services to customers in the healthcare, banking, retail and public administration sectors. Our major customers to whom these services are provided include National Sports Club of India, The Phoenix Mills Limited, Innovative Retail Concepts Private Limited and HDFC Bank

Our private security and manned guarding services consist of providing security solutions including access control, surveillance, emergency services and patrols. With respect to these services, we have also obtained the license to engage in the business of a private security agency under PSARA in 12 states and one union territory. A description of our private security and manned guarding services has been provided below:

- *Access control:* We ensure that only authorized personnel are allowed to enter the facility and control the movement of people within the facility.

- *Surveillance:* We monitor the facility using CCTV and other surveillance systems and respond to any security breaches or incidents.

- *Patrols:* We regularly patrol the facility to detect and deter any suspicious activity or potential security threats.

- *Emergency response:* We provide services in case of emergencies including fire, medical emergencies, or criminal activity.

Catering

We offer catering services through our Subsidiary, Krystal Gourmet, which comprises catering to educational institutions and hospitals. Through this, we offer full range food and beverage services according to the time schedules customised by the customer, including breakfast, lunch and dinners for employees. We also provide traditional snack items. In addition, we collaborate with our customers to create custom-built menus to match their requirements. We lay special emphasis on food safety and rely on daily frequent laboratory tests to ensure that our ingredients and the food prepared, are safe and bacteria-free, for consumption under FSSAI and ISO 22000 standards. We offer our catering services through our central kitchen located in Kalina.

In Fiscal 2021, 2022 and 2023, we offered catering services to 13, 47 and 67 customers, across 17, 60 and 72 customer locations in India, respectively. Our major customers for these services (provided through Krystal Gourmet) include Terna Speciality Hospital & Research Centre.

Contractual Arrangements with our Customers

Our government contracts are entered into through letters of award or intent after a bidding process and is typically valid for a term of three years, renewable for an additional year by mutual consent, and terminable, with written consent, by either party.

For the arrangements with our private customers, we negotiate written contracts through various formats including service provider's agreements and facility management agreements with our key customers for a term between one and three years, typically renewable by mutual consent. and terminable, with written notice, by either party.

The nature of service contracts we enter into vary depending on the business vertical, the specific requirements of the customer, as well relevant industry practice. Our service contracts include variations of cost-plus contracts, fixed price contracts and/or SLA linked contracts.

Cost-plus contracts are contracts where the price is variable based upon our actual costs incurred for personnel and materials, if applicable. Any margin on cost plus contracts may be a fixed amount or a percentage mark-up applied to costs incurred or a combination of both. Fixed price contracts are contracts where the price is pre-determined and does not vary based on actual costs incurred. Such contracts may include cost escalation terms that enable increase in price should certain events occur or conditions change. Change orders on fixed priced contracts are approved with work scope changes resulting in corresponding adjustments to our fixed price. SLA linked contracts are those where we get paid as per certain agreed delivery parameters.

Key sectors

We provide our services to the (i) hospitals and healthcare sector; (ii) education sector; (iii) retail sector; (iv) airport, railways and metro infrastructure sector, (v) public administration sector, (vi) banking and financial services sector; (vii) manufacturing and industrials and (viii) other sectors. The following table sets forth information on the revenue generated by providing services to these sectors, for the periods indicated:

Sector	Fiscal 2021	Fiscal 2022	Fiscal 2023	CAGR

	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	(Fiscal 2021 to Fiscal 2023
Hospitals and Healthcare	1,609.12	34.14	2,079.43	37.62	2,664.59	37.65	28.68
Education	1,451.09	30.79	1,030.96	18.65	1,454.30	20.55	0.11
Public Administration	116.44	2.47	839.28	15.19	928.41	13.12	182.37
Airport, Railways and Metro Infrastructure	362.09	7.68	347.84	6.29	489.21	6.91	16.24
Retail	375.13	7.96	364.70	6.60	483.65	6.83	13.55
Banking and financial services	208.10	4.42	164.92	2.98	171.76	2.43	(9.15)
Manufacturing and industrials	96.11	2.04	139.10	2.52	191.27	2.70	41.07
Others	494.81	10.50	560.53	10.14	693.18	9.80	18.36
Total	**4,712.89**	**100**	**5,526.76**	**100**	**7,076.36**	**100**	**22.54**

(i) ***Hospitals and Healthcare sector***

We provide services to hospitals and medical institutes in this sector. In Fiscals 2021, 2022 and 2023, we provided services to 16, 23 and 23 customers in this sector. In addition to our regular service offerings, we provide certain specialized services that are customised for the client including cleaning of intensive care units and sensitive areas, administrative assistance, emergency services, general staffing and maintenance of safety and security inside the hospital premises. In Fiscal 2023, we provided our services to 134 hospitals and medical institutes.

Our key customers in the hospitals and healthcare sector are the National Cancer Institute and P.D. Hinduja National Hospital.

(ii) ***Education sector***

We provide services to private and government schools and colleges (excluding medical colleges) in this sector. In Fiscals 2021, 2022 and 2023, we provided services to 17, 23 and 24 customers in this sector. In addition to our regular service offerings, we provide certain specialized services that are customised for the client including administrative assistance and maintenance of safety and security inside the school premises. In Fiscal 2023, we serviced 224 schools and colleges (other than medical colleges).

Our key customers in the education sector include the Education Department, Brihanmumbai Municipal Corporation.

(iii) ***Public administration***

We provide services to municipal, state government and government offices, electricity board and district consumer forums. In Fiscals 2021, 2022 and 2023, we provided services to 32, 32 and 35 customers. In addition to our regular service offerings, we provide certain specialized services that are customised for the client including manpower. In Fiscal 2023, we provided integrated facility management services, private security and staffing and payroll services at 545 municipal and government offices, electricity board and district consumer forums.

(iv) ***Airport, railways and metro infrastructure***

We provide services at airports, railway stations and metro stations. In Fiscals 2021, 2022 and 2023, we provided services to 7, 9 and 12 customers. In addition to our regular service offerings, we provide certain specialized services that are customised for the client including façade cleaning, bird scaring services and private security. In Fiscal 2023, we provided integrated facility management services at two airports, four railway stations and 10 metro stations.

Our key customers in the airports, railways and metro infrastructure sector are Maha Mumbai Metro Corporation Limited and AAI Cargo Logistics & Allied Services Company.

(v) ***Retail sector***

We provide services to retail outlets and branch offices in this sector. In Fiscals 2021, 2022 and 2023, we provided services to 19, 17 and 21 customers. In addition to our regular service offerings, we provide certain specialized services that are customised for the client including administrative assistance and manned guarding. In Fiscal 2023, we provided integrated facility management services to 279 retail outlets and branch offices in the retail sector.

Our key customers in the retail sector are Innovative Retail Concepts Private Limited and The Phoenix Mills Limited.

(vi) ***Banking and financial services sector***

We provide our services to branches in the banking and financial services sector. In Fiscals 2021, 2022 and 2023, we provided services to 9, 8 and 11 customers. In addition to our regular service offerings, we provide certain specialized services that are customised for the client including courier services, private security and manned guarding services. In Fiscal 2023, we serviced 308 such branches across 12 states and UTs.

Our key customers in the banking and financial services sector include HDFC Bank.

(vii) ***Manufacturing and industrials***

We provide our services to manufacturing companies. In Fiscals 2021, 2022 and 2023, we provided services to 22, 22 and 27 customers. In Fiscal 2023, we serviced 52 industrial premises across 6 states and UTs.

Our key customers in the manufacturing and industrials sector include Federal Mogul Goetze.

(viii) ***Other sectors***

We also cater to customers operating in automobile sector, sports clubs, media and entertainment, real estate and IT/ ITES sectors. We are among the few integrated services companies that provides facility management services to commercial complexes and shopping malls across the country (*Source: F&S Report*), including to The Phoenix Mills Limited. Our client base also consists of companies in hospitality, media and entertainment sectors, and sites of spiritual and religious significance.

Customer Acquisition, Key Customers and Business Development

We strive to maintain long-term relationships with our key customers. Our customers operate across a variety of industries and sectors including such as healthcare, education, banking, retail, airport, railways and metro infrastructure, among others, which reduces our vulnerabilities to economic cycles and dependence on any particular sector. Such a diverse base of customers has allowed us to not only reduce our vulnerabilities to economic cycles but also our dependence on any particular sector. We have a strong sales and marketing team consisting of 16 employees, as on August 31, 2023, who focus on customer development and maintaining customer relationship.

Our business development activities operate along the following key areas:

- Procuring additional business from our existing customers; and
- Prospecting for new customers through our sales operations and our business development teams.

Our business operations teams have built long-term relationships with a number of our customers. Our wide portfolio of services enables us to design and deliver a range of customized solutions suited to the specific needs of our customers, which bolsters our customer acquisition and retention capabilities. In Fiscals 2021, 2022 and 2023, we served 262, 277 and 326 customers, respectively. In the same period, the number of customer locations serviced by us has grown from 1,962 as on March 31, 2021, to 2,240 as on March 31, 2022 and 2,427 as on March 31, 2023. During Fiscals 2021, 2022 and 2023, we onboarded 76, 70 and 89 new customers, respectively. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years.

For contracts with government customers, we submit bids in response to tenders notified through ads and e-tendering portals for specific projects. The acceptance of our bids is subject to qualifying for the required bidding criteria, as notified by the relevant authorities. Typically, the projects are awarded to the bids with the most competitive pricing. Successful bidders are notified through letters of award or letters of intent. After the completion of the bid process, an official agreement is entered into along with the submission of performance security. During Fiscal 2023, we have a bid success ratio of 14.58%. During Fiscals 2021, 2022 and 2023, our experience and existing investment on manpower and machinery allowed us to successfully extend or renew Nil%, 40.00% and 42.86% of our government contracts that were expiring in the respective years.

For the arrangements with our private customers, we negotiate written contracts through various formats including service provider's agreements and facility management agreements with our key customers for a term between one and three years, typically renewable by mutual consent. and terminable, with written notice, by either party. Our private customers during Fiscals 2021, 2022 and 2023, either renewed or extended their contracts with us. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years.

Human Resource and Training Initiatives

The following table sets forth certain information on our on-site employees across our various business verticals as of March 31, 2023 and August 31, 2023:

S. No.	Business Vertical	Number of On-Site Employees	
		As on March 31, 2023	As on August 31, 2023
1.	Integrated Facility Management Services	20,161	22,374
2.	Staffing Solutions and Payroll Management	7, 370	5,556
3.	Private Security and Manned guarding	4, 243	11,403
4.	Catering	107	343
Total		31,881	39,676

Additionally, as on August 31, 2023, we also have 312 employees at our offices who help us with the management of our corporate operations and back-end support.

Colonel (Retd.) Rajeev Ranjan, Vice President – Recruitment, heads our operational recruitment function. Having previously worked with the Indian Army for over 24 years, he has been associated with our Company since August 11, 2023. We leverage various channels like print media, digital advertisements and job fairs for our recruitment. The decisions in respect of selection and hiring of employees are made solely on the basis of the job requirements and our focus is to recruit applicants who are suitably qualified and trainable for employment. We hire employees on a regular, temporary, contractual and trainee basis and conduct reference checks for all our candidates before appointment, including feedback from the referees where applicable. Our performance parameters and assessment of our employees are tied to a capability analysis of each employee and based on merit and quality of service resulting in an identification of high performing employees. The employee rating is based on various key performance indicators.

In addition, we provide extensive learning and development training for our employees. In order to sustain and improve performance and future potential, employees are provided opportunities for training and development through specific training program based on customer needs and requirements. Further, on May 1, 2023, we launched the 'Krystal Integrated Training Academy' in Vashi, Maharashtra to train security guards, house keepers and facility attendants employed by us, as well as area officers and supervisors. The facility is headed by Colonel (Retd.) Tushar Joshi, Vice President - Training and Quality in Operations, having over 18 years of experience with the Indian Army, who currently heads the training and development functions in our Company. As part of our training programs at the facility, we lay particular focus on physical fitness, grooming, security, first-aid and fire-fighting for our security guards, as well as on grooming, specialised cleaning, safety and waste management for house keepers and facility attendants. In addition to the training provided at our facility, we also provide training on-site to our employees if needed. We also provide fixed deposits to our employees through a registered credit cooperative society. We also have a policy to provide recognitions through letters of appreciation to our employees based on their performance.

Health and Safety

Health and safety is one of our core areas of attention. We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. To this end, we have accreditations such as ISO 9001:2015 certifying our quality management systems, ISO 14001:2015 for our environment management systems, ISO 45001:2018 for our occupational and safety hazard systems, and ISO/ IEC 27001:2013 for our information security management systems.

We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our customer locations, accident reporting, wearing safety equipment and gear and maintaining clean and orderly work locations.

Information Technology

We use an enterprise planning software pursuant to an agreement we have entered into with a technology provider to facilitate the flow of information among all our business functions, thereby ensuring quick decision making of key business processes and other routine functions. In this respect, we are able to avail services such as an online attendance system, online material requisition, online uniform requisition and other integrated ERP solutions. We aim to avoid duplication of efforts across different departments through a single-entry system for updating accounting and financial data and automation of payroll processing. We also use enterprise planning software to assist in day-to-day management, support strategic planning and help reduce operating costs by facilitating operational coordination across functional departments.

In June 2023, we implemented our application, KAS, on a pilot basis. Through KAS, we aim to increase productivity through streamlining and real-time tracking of workflows. The application enables automation of services by allowing team members to digitally update the status of assigned tasks at each location. Quality controls such as image-based verification of tasks, GPS-location linked attendance marking, and an online ticketing system are also enabled by the KAS application.

Risk Management

Understanding and managing the risks to the business, the customers and our employees is a central part of our business. We carry out an ongoing analysis of all business processes for the detection, evaluation and management of risks and continually review our security routines and have made significant investments to improve security in our business.

Intellectual Property

We have entered into the Krystal Trademark Agreement dated September 19, 2021 with our Promoter, Prasad Minesh Lad pursuant to which our Company has been granted a non-exclusive, royalty free license to use the name and logo "Krystal". Further, our Subsidiary, Krystal Gourmet, has entered into the Krystal Gourmet Trademark Agreement dated December 24, 2020 with our Promoter, Prasad Minesh Lad, pursuant to which it has been granted a non-exclusive, royalty free license to use the name and logo "Krystal Gourmet Private Limited". For further details, see "*Risk factors – We do not own the trademarks and logos used in our business, including the "Krystal" trademark, and have entered into Trademark License Agreements with one of our Individual Promoters for the usage of such intellectual property rights."* on page 46.

For a list of intellectual property owned and registered by us, see "*Government and Other Approvals*" on page 355.

Insurance

We maintain material insurance policies that we believe are customary for companies operating in similar businesses. In this respect, we have obtained a motor insurance, machinery insurance, property insurance, group accident insurance, group mediclaim insurance, professional indemnity, commercial general liability employee compensation insurance, stock insurance, and office package insurance. As on March 31, 2023, our insurance coverage ratio was 52.68%. Also, see "*Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, cash flows, results of operations and financial condition.*" on page 51.

Corporate Social Responsibility

We have adopted a corporate social responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Our CSR Committee was constituted on July 31, 2014, and last reconstituted on August 25, 2023. As on date of this DRHP, the CSR Committee comprises of Neeta Prasad Lad, Sanjay Suryakant Dighe and Yajyoti Digvijay Singh.

In Fiscals 2021, 2022 and 2023, we incurred CSR expenses amounting to ₹ 8.80 million, ₹ 6.50 million and ₹ 9.23 million, respectively, towards education initiatives.

Property

Our Corporate Office is located at 20th Floor, Kohinoor Square, Shivaji Park, Dadar, Mumbai – 400028, Maharashtra, India, and is owned by the Company. Our Registered Office is located at 15A/17, Shivaji Fort Co-op Hsg. Soc., Duncan Causeway Road, Sion, Mumbai – 400 022, Maharashtra, India and is held on leasehold basis for a period of three years from August 1, 2022 till July 31, 2025. We also operate a training centre in Vashi, Maharashtra, and two warehouses and 21 branch offices in key geographies in India, each held on a leasehold, leave and license, or rental basis. For further details, see "*Risk factors – The premises for our registered office, training centre, branch offices, warehouses and certain other properties used by us are held by us on a leasehold basis, which subjects us to certain risks*." on page 54.

Competition

Integrated facility management services: The Indian integrated facilities management market is highly fragmented with close to 400-500 companies operating across the country. There are 6 large companies comprising of Tier 1 category, having presence across geographies and controlling about 9.4% of the total market, as on March 31, 2023. These companies include Sodexo, SIS Limited, Quess Corp, BVG, UDS, and Re Sustainability. The competitive structure within the government segment is more organised than the total market. In addition to our Company, the major service providers to the government sector for integrated facilities management services in India are Sodexo, SIS Limited and BVG. (*Source: F&S Report*)

Private security and manned guarding services: In addition to our Company, SIS Limited, G4S, Checkmate, Peregrine, ISS, Sentinels, Securitas, Global Security Services, are some of the major companies operating in the private security and manned guarding services market in India. The market is extremely fragmented in India, with more than 20,000 companies operating in this market. The organised segment comprised of about 40-45% of the total market in Fiscal 2023. (*Source: F&S Report*)

For further details, including the competitive environment for our other business verticals, see "*Industry Overview*" on page 125.

KEY REGULATIONS AND POLICIES

The following is an overview of the important laws, policies and regulations which are relevant to our business and related sectors. The regulations set out below are not exhaustive and are only intended to provide general information. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The following is only intended to provide general information to the investor and is neither designed nor intended to be a substitute for professional legal advice. For details of government approvals obtained by us, where necessary, in compliance with these regulations, refer to *"Government and Other Approvals" on page* 355.

I. Business related laws

Private Security Agencies (Regulation) Act, 2005

The Private Securities Agencies Regulation Act, 2005 ("**PSARA**") is the primary legislation for the regulation of private security agencies in India. Any person or body of persons other than a government agency, department or organisation engaged in the business of (a) providing private security services or (b) providing training to private security guards or their supervisors or (c) providing private security guards to any industrial or business undertaking or a company or any other person or property, are regulated by the PSARA, and are required to obtain a license for undertaking such activities.

Private security agencies licensed under the PSARA are required to obtain prior permission for providing private security services abroad. A license granted under PSARA is valid for a period of five years, unless cancelled earlier. In this regard, the PSARA sets forth eligibility requirements to become a private security guard and eligibility conditions for obtaining a license for employing or engaging of private security guards. It also authorises state governments to frame rules for issuance of licenses and prescribes conditions for cancellation and suspension of licenses. Carrying on or commencing the business of a private security agency without a valid licence is an offence punishable with imprisonment for a term of up to one year, or with fine which may extend to Rs. 25,000, or with both.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA Act**") was enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. Subject to state amendments, the CLRA Act requires every establishment employing 20 or more contract labourers to be registered and prescribes certain obligations with respect to welfare and health of contract labourers. The principal employer's establishment is required to be registered with the registering officer and the contractor is required to be licensed by the licensing officer. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid and other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within such time as maybe prescribed. Every contractor to whom the CLRA Act applies, is also required to obtain a license and not to undertake or execute any work through contract labour, except under and in accordance with such license. Further under the CLRA Act, the principal employer has to ensure through a nominated representative that the Contractor distributes wages within the prescribed time, failing which the principal employer shall be liable to make payment of wages in full or the unpaid balance and recover the amount so paid from the Contractor.

The Food Safety and Standards Act, 2006

The Food Safety and Standards Act, 2006 ("**FSS Act**") was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India ("**FSSAI**"), for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption. The FSS Act also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal. For enforcement, the FSS Act the 'commissioner of food safety', 'food safety officer' and 'food analyst' have been granted with detailed powers of seizure, sampling, taking extracts and analysis. Further, The Food Safety and Standards Rules, 2011 ("**FSSR**") which have been operative since August 5, 2011, provide the procedure for registration and licensing process for food business and lay down detailed standards for various food products.

The standards include specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels.

The FSSAI has also framed the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011;
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;
- Food Safety and Standards (Packaging) Regulations, 2018; and
- Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Regulations, 2017

Arms Act, 1959 and Arms Rules, 1962

The Arms Act, 1959 and Arms Rules, 1962 (collectively, the "**Arms Regulations**") provide for the legal framework in relation to arms and ammunitions in India. Pursuant to the Arms Regulations, a license is required to be obtained for acquisition, possession of, or carrying of firearms or ammunition. An individual aged 21 years or above, can, subject to provisions of the Arms Regulations, apply for a license for acquisition, possession or carrying not more than three firearms. The Arms Regulations also allow a person to carry any firearms or ammunition in the presence, or under the written authority, of the holder of the licence and for use by such holder, without holding a licence himself. In accordance with the Arms Rules, 1962, a person can apply for permitting his agent or employee to possess or carry any of the arms or ammunition covered by the license for sport, protection or display, on his behalf. In the event such retainer ceases to be in the service of the owner of an arms license, he shall not be entitled to possess or carry any of the arms or ammunition allowed until then, nor shall any person who subsequently comes in the service of the owner be so entitled until and unless his name and particulars are entered in like manner in the license.

Environmental Legislations

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules") aim to prevent, control and abate pollution. The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Solid Waste Management Rules, 2016 applies to every authority responsible for collection, segregation, storage, transportation, processing and disposal of solid wastes. The operator of a facility involved in collecting, segregating, storing, transporting, processing and disposal solid wastes and any other agency appointed for the management and handling of solid wastes is required to obtain authorizations from the State Pollution Control Board. Any solid waste generated is required to be managed and handled in accordance with the procedures specified in the Solid Wastes Management Rules, 2016. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aims to protect and improve the environment and provides rules for the prevention, control and abatement of environment pollution, and imposes obligations for the proper handling, storage, treatment, transportation and disposal of hazardous wastes. The Plastic Waste Management Rules, 2016 aim to regulate the manufacturing, stocking, sale and use of plastic carry bags and sachets. The rules extend responsibility to producers to establish waste management systems and reduce plastic pollution.

Regulators

Director General of Civil Aviation (DGCA)

Domestic aviation in India is regulated by the Ministry of Civil Aviation (MoCA) and its two attached offices, the Bureau of Civil Aviation Security (BCAS) which is the central agency for aviation security; and the Director General of Civil Aviation which is responsible for the regulation of air transport services in India and for the enforcement of civil air regulations, air safety and airworthiness standards. The DGCA is the principal regulator in the Indian civil aviation sector. Inter alia, the office of the DGCA promulgates, implements and monitors standards relating to the operations and airworthiness of an aircraft, licensing of personnel such as flight crew, flight dispatchers and aircraft maintenance engineers, air transport operations, investigation of minor accidents, etc. The detailed terms and conditions of these standards, including, without limitation, the authorities involved, the application processes and the requirements of renewal are prescribed by the Aircraft Act, the Aircraft Rules, CARs, ATACs, AICs and other circulars and advisory circulars.

II. Labour Legislations

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986, ("**CLPRA Act**") provides for prohibiting engagement of children below 14 years in factories, mines and hazardous employments and regulates the conditions of their employment in certain other employments. The CLPRA Act aims to regulate the number of hours, period of work and holidays to be given to child labourers. It specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child labourers. The CLPRA Act also provides for health and safety measures to be complied with by the employer.

Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979

The Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 (**"ISMW Act**") regulates the employment of inter-state migrant workmen and provides for their conditions of services and for matter connected therewith. Under the provisions of the ISMW Act, every principal employer of an establishment which employs five or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding 12 months has to register his establishment under ISMW Act. The ISMW Act also requires the principal employers and contractors to maintain registers with such details of the migrant workmen as may be prescribed. Any violation of the provisions of the ISMW Act and Rules prescribed thereunder is imprisonment which may extend to two years or with fine which may extend to 2,000 or with both.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was enacted to curb the rise in sexual harassment that women were facing in their workplaces and it intended to make workplaces safer for them by enacting for prevention of such harassment and redressal of complaints and for matters connected with sexual harassment. Workplace' has been defined broadly to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and any place visited by the employee arising out of or during the course of employment. The terms sexual harassment and workplace are both defined in the act. Every employer is required to constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office in the committee for a period not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at the workplace. Every employer has a duty to provide a safe working environment at the workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, displaying rules relating to sexual harassment at any conspicuous part of the workplace, providing necessary facilities to the committee formed for dealing with the complaint, such other procedural requirements to assess the complaints.

Other applicable labour legislations

The employment of workers, depending on the nature of activity, is, at present, regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to our operations owing to the nature of our business activities:

- Apprentices Act, 1961;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' Compensation Act, 1923;
- Employees' State Insurance Act, 1948;

- Trade Union Act, 1926
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder;
- Equal Remuneration Act, 1976;
- The Industrial Disputes Act, 1947;
- The Industrial Employment (Standing Orders) Act, 1946;
- The Minimum Wages Act, 1948;
- Maternity Benefit Act, 1961;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972; and
- Payment of Wages Act, 1936.

Labour Codes

In order to rationalize and reform labour laws in India, the Government has enacted four labour codes that would subsume primarily all of the central labour laws and would collectively form the governing labour legislations, as and when brought into effect. These four codes are:

(a) *The Code on Wages, 2019*

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code predominantly concerning the constitution of the Central Advisory Board and other provisions of this code will be brought into force on a date to be notified by the Central Government.

(b) *The Occupational Safety, Health and Working Conditions Code, 2020*

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(c) *The Industrial Relations Code, 2020*

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(d) *The Code on Social Security, 2020*

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020, and the draft rules under the Code on Social Security, 2020 were notified on November 13, 2020. It proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Shops and establishments legislations in various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. These legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

III. Tax-Related Legislations

Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 (the "**GST Act**") levies tax on the supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India, applicable from July 1, 2017. Under the GST Act, goods and services are taxed under five different categories, being 0%, 5%, 12%, 18% and 28%. GST is levied on all transactions such as sale, supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST ("**CGST**") by the Central Government and State GST ("**SGST**") by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST ("**IGST**") is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

The Profession Tax Act

We are subject to the provisions of state specific legislations that are enacted to regulate tax on professions, trades, callings and employments, and the rules prescribed under such legislations ("**Profession Tax Acts**"). The Profession Tax Acts provide for the levy and collection of a tax on professions, trades, callings and employment for the benefit of the particular state. Such regulations provide for the employers liability to deduct and pay taxes on behalf of their employees, meeting employers registration and enrolment requirement, filing of returns, payment of advance taxes and other matter regarding payment of tax or in case of non-payment.

Additional tax-related laws that are applicable to us include the Income Tax Act, 1961 along with various rules and notifications issued by the tax authorities.

IV. Intellectual Property Laws

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is a party to several international intellectual property-related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade-Related aspects of Intellectual Property Rights.

Trade Marks Act, 1999 and the Trade Marks Rules, 2017

The Trade Marks Act, 1999 as amended (the "**Trade Marks Act**") governs the law pertaining to the protection of trade marks in India. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and provides for remedies in case of the fraudulent use of deceptively similar marks by any third party. The Trade Marks Rules, 2017 as amended (the "**Trade Marks Rules**") lays down certain guidelines including the process for determination of "well-known trademark", representation of sound marks, recognition of e-mail as a mode of service, new registration fees and mandatory filing of statements of users.

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "**Copyright Laws**") serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with an enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

V. Foreign Investment Laws

The foreign investment in our Company is governed by, inter alia, the FEMA, as amended, the FEMA Regulations, the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") effective from October 15, 2020, issued and amended by way of press notes. Foreign investment in our Company, will be subject to the conditions specified in the FDI Policy.

As per the FDI policy, the aggregate foreign investment in our Company from all sources will be allowed up to a maximum of 74% of the paid-up capital of the Company (automatic up to 49% and government approval route beyond 49% and up to 74%). This 74% limit will include investment under the Portfolio Investment Scheme (PIS) by FPIs, NRIs. At all times, at least 26% of the paid-up capital will have to be held by residents. In case of NRIs, individual holdings are restricted to 5% of the total paid-up capital both on a repatriation and a non-repatriation basis and the aggregate limit cannot exceed 10% of the total paid-up capital both on a repatriation and a non-repatriation basis. However, NRI holdings can be allowed up to 24% of the total paid-up capital both on a repatriation and a non-repatriation basis subject to a special resolution to this effect passed by the banking company's general body. The aggregate limit for FPI investments shall be the sectoral caps applicable to our Company (up to 74% of the paid-up share capital of our Company).

VI. Other Laws

In addition to the aforementioned material laws and regulations, which apply to our Company, our Company is also required to comply with the provisions of the Companies Act, 2013 and rules framed thereunder, the Consumer Protection Act, 2019, and other applicable statutes promulgated by the relevant Central and State Governments including the central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as 'Sea King Enterprises Private Limited' at Mumbai as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated December 1, 2000 issued by the RoC. The name of our Company was changed to 'Krystal Tradecom Private Limited' to convey the nature of business activities of the Company and a fresh certificate of incorporation dated February 6, 2001 was issued by the RoC. Subsequently, our Company diversified its activities and in order to reflect the said new activities, the name of our Company was changed from 'Krystal Tradecom Private Limited' to 'Krystal Integrated Services Private Limited' and a fresh certificate of incorporation dated May 19, 2009 was issued by the RoC. Subsequently, pursuant to a resolution of our Board dated June 30, 2023 and a resolution of our shareholders dated July 4, 2023, our Company was converted into a public limited company under the Companies Act, and consequently, the name of our Company was changed to 'Krystal Integrated Services Limited' and a fresh certificate of incorporation dated August 4, 2023 was issued by the RoC.

Changes in Registered Office

Currently, the registered office of the Company is situated at Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India.

Details of changes in the registered office of our Company are set forth fellow:

Date of change of registered office	Details of change of registered office	Reasons for change
December 2, 2002	The registered office of our Company was shifted from 1252, Pushpanjali Apartments, Old Prabhadevi Road, Prabhadevi, Mumbai – 400 025, Maharashtra, India to 74-C, Hind Taj Building, Dada Saheb Phalke Road, Dadar - East, Mumbai – 400 014, Maharashtra, India	Administrative convenience
March 29, 2004	The registered office of our Company was shifted from 74-C, Hind Taj Building, Dada Saheb Phalke Road, Dadar - East, Mumbai – 400 014, Maharashtra, India to Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India	Administrative convenience

Main Objects of Our Company

The main objects of our Company as contained in its Memorandum of Association are as disclosed below:

"1. To carry on the business of providing facilities such as house-keeping, security management services, security management solutions, financial consultant, consultancy in commercial, BPO, financial, economic, direct & indirect taxation, other levies, statistical accountancy, providing manpower and to undertake all types of security work & security consultation and to undertake all type of security work and related services to Industrial, Commercial, Residential and Government bodies, other establishments and undertake singularly or in association/collaboration with the other Indian/Foreign Company or individual, intelligence consultancy and arrangement of provide management personals in India and abroad and recruiting, training and placement of Security Staff, guards, armed guards, body guards, bouncers, detective persons, safety personnel.

2. To provide various facility services to prestigious corporate customers, housekeeping services and Mall management and various organizations such as high level of mechanized glass cleaning, hotel maintenance, floor maintenance for huge areas and small areas, high pressure jet cleaning, corporate shampooing, matt cleaning, cleaning of granite, marble and aluminum located at any height, acid wash of small ceramic tiles, restoration of facade, ledges cleaning, mastic filling, replacement of bulbs, window sealant work and to impart full training to security guards and to train dogs and handlers and to form Dog Squad for security purpose and to provide all kinds of trained dogs and dog handlers to the clients to fulfill the purpose of investigations, safety, security and security related purposes."

The main objects clause as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below:

Date of Shareholders' Resolution/ Effective Date	Nature of Amendment
September 24, 2022	Clause III (B) of the Memorandum of Association of Company was amended to include the following subclause 59, after the existing sub-clause 58, in the objects incidental or ancillary to the attainment of the main objects: *"59. To carry on the business activities including construction of plant building, develop, construct, demolish, enlarge, erect, build, construct, improve, maintain, develop, alter, enlarge, pull down, replace work or manage, any buildings to setup plant building & Machinery including plant & machinery used for Ammunition handling and disposal of unserviceable explosives."*
August 4, 2023	Clause I of the Memorandum of Association of Company was amended to reflect the change in our name from 'Krystal Integrated Services Private Limited' to 'Krystal Integrated Services Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.
August 4, 2023	Clause III (B) of the Memorandum of Association of Company was amended in line with the provisions of Companies Act pursuant to the conversion of our Company from a private limited company to a public limited company.
September 8, 2023	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 10,00,00,000 divided into 100,00,000 equity shares of ₹ 10 each to ₹ 15,00,00,000 divided into 1,50,00,000 equity shares of ₹ 10 each.

Major Events

The table below sets forth some of the major events in the history of our Company. For details, also see "*Our Business*" on page 183.

Calendar Year	Event
2000	Incorporation of our Company as manufacturers, engineers, importers and exporters of non-ferrous metals etc. as Sea King Enterprises Private Limited.
2008	Started providing facility management services in the healthcare sector.
	Incorporated our Subsidiary, Flame Facilities Private Limited.
2009	Channelised the focus of our business by engaging ourselves in the service sector as our main activity of Business and to reflect the activities, the name of our Company changed to Krystal Integrated Services Private Limited.
	Incorporated our Subsidiary, Krystal Gourmet Private Limited.
2022	Demerger of 'Smart City Business' from the Company into VTSPL as a going concern
	Served more than 270 customers across 2240 customer locations.
2023	Total revenue of the Company crossed ₹ 7000 million from four business verticals, namely integrated facility management services, staffing and payroll management, catering, and private security and manned guarding for the financial year ended March 31, 2023.
2023	Adopted Krystal ESOP Plan, 2023.

Key awards, accreditations, certifications and recognitions

The table below sets forth certain key awards, accreditations, certifications and recognitions received by the Company:

Calendar Year	Awards
2013	Received ISO accreditation for our information security management systems
2015	Received ISO accreditation for our environment management systems
2015	Received ISO accreditation for our quality management systems
2018	Received ISO accreditation for our occupational and safety hazard systems
2018	Our Company was awarded "Maharashtracha Lokpriya Brand" by Arthsanket newspaper

Other Details Regarding Our Company

Significant Financial or Strategic Partners

Our Company does not have any significant financial or strategic partners as of the date of this Draft Red Herring Prospectus.

Defaults or Rescheduling/Restructuring of Borrowings from Financial Institutions/Banks

No payment defaults or rescheduling/restructuring have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares.

Time and Cost Overruns

Our Company has not experienced any time or cost overruns in respect of our business operations, as at the date of this Draft Red Herring Prospectus.

Launch of key services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For the details of key services launched or provided by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and *"History and Certain Corporate Matters – Details regarding Material Acquisition or Divestment of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets, if any, in the last ten years"* on page 183 and 214.

Accumulated Profits or Losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Information. For further details please, see "*History and Certain Corporate Matters - Our Subsidiaries*" on page 211.

Our Holding Company

As of the date of this Draft Red Herring Prospectus, Krystal Family Holdings Private Limited is our Holding Company.

Krystal Family Holdings Private Limited

Corporate Information

Krystal Family Holdings Private Limited was originally formed and registered as a partnership firm under the Indian Partnership Act, 1932 under the name of 'Krystal Horizon' pursuant to a deed of partnership dated April 06, 2015. Pursuant to the conversion of 'Krystal Horizon' into a company under the provisions of Chapter XXI of the Companies Act, 2013, Krystal Family Holdings Private Limited was incorporated on October 25, 2016. The registered office of Krystal Family Holdings Private Limited is 15, Krystal House, Dr Mankikar Road, Near Sion Talao, Sion East, Mumbai – 400 022, Maharashtra, India.

Nature of Business

Krystal Family Holdings Private Limited is authorised to carry on the business of providing facilities such as housekeeping, security management services, security management solutions, financial consultant, consultancy in commercial, BPO, financial, economic, direct & indirect taxation, other levies, statistical accountancy, providing manpower and to undertake all types of security work & security consultation and to undertake all type of security work and related services to industrial, commercial, residential and government bodies, other establishments and undertake singularly or in association/collaboration with the other Indian/foreign company or individual, intelligence consultancy and arrangement of provide management personals in India and abroad and recruiting, training and placement of security staff, guards, armed guards, body guards, bouncers, detective persons, safety personnel.

Capital Structure

The authorised share capital of Krystal Family Holdings Private Limited is Rs. 100,000,000 divided into 10,000,000 equity shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of Krystal Family Holdings Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Neeta Prasad Lad	30,00,000	30%
Saily Prasad Lad	33,26,465	33.26%
Shubham Prasad Lad	33,26,465	33.26%
Shoubham Cinevisions Private Limited	3,47,070	3.47%
Total	**10,000,000**	**100%**

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has two subsidiaries. Details of our Subsidiaries are as follows:

***1. Flame Facilities Private Limited* (“*FFPL*”)**

FFPL was incorporated under the Companies Act, 1956 on December 10, 2008. The registered office of Flame Facilities Private Limited is Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India. In 2009, pursuant to its objects clause, FFPL acquired Flame Facilities Services, a proprietorship firm of Pravin Ramesh Lad.

Nature of Business

FFPL is authorised to carry on the business of providing facilities such as house keeping, security management, financial consultant, consultancy in commercial, financial, taxation, arrangement of management personnel, training and placement of security guards, developing human resource etc. as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorised share capital of FFPL is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of FFPL as of the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Krystal Integrated Services Limited	9,999	99.99%
Krystal Integrated Services Limited jointly with Neeta Prasad	1	0.01%

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Lad (Neeta Prasad Lad as a nominee of Krystal Integrated Services Limited)		
Total	**10,000**	**100%**

2. Krystal Gourmet Private Limited ("KGPL")

Corporate Information

KGPL was incorporated under the Companies Act, 1956 on August 31, 2009. The registered office of KGPLis Krystal House 15A 17, Shivaji Fort CHS, Duncans Causeway Road, Mumbai – 400 022, Maharashtra, India.

Nature of Business

KGPL is authorised to carry on in India or abroad the business of importers, exporters, manufacturers, buyers, sellers, suppliers, traders, producer, merchants, hire purchase dealers, brokers, stockiest, distributors or otherwise dealing in foods, natural food extracts, food products, fast foods including instant food mixes, processed foods, dehydrated foods, health foods, farm products, fruits, vegetables, pulses, juices, jellies, ice creams, jams, tea, coffee, cocoa, chocolate, spices and condiments, cookeries, bakery, confectionery, groceries, poultry, eggs, vegetable oils, vegetable ghee, sausages, prawns, potted meat, table delicacies and masalas, vinegar acetic acid, glucose, wines, spirits, beers, porters, yeast, pickles, ciders preserved food and of such other related ingredients and/or articles as may be conveniently be used or manufactured in conjunction with the above and to own, maintain, hire or lease and construct kitchen or bakeries and for that purpose to set up, install, purchase, import or otherwise acquire all plant, machinery and equipments.

Capital Structure

The authorised share capital of KGPLis Rs.75,00,000 divided into 7,50,000 equity shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of KGPLas of the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Krystal Integrated Services Limited	642,654	100%
Krystal Integrated Services Limited jointly with Neeta Prasad Lad (Neeta Prasad Lad as a nominee of Krystal Integrated Services Limited)	1	Negligible
Total	**642,655**	**100%**

Our Joint Arrangements

As of the date of this Draft Red Herring Prospectus, our Company does not have any joint venture companies.

Following are the details of joint arrangements (in the nature of joint ventures/ joint operations) of the Company identified in accordance with Indian Accounting Standard (Ind AS) 111 (Joint Arrangements):

1. Krystal Aquachem JV

Corporate Information

Krystal Aquachem JV was formed pursuant to the memorandum of understanding for joint venture agreement dated December 19, 2018, between our Company and Aquachem Enviro Engineers Private Limited. Our Company is the financial partner and Aquachem Enviro Engineers Private Limited is the technical partner in the joint venture.

Nature of Business

Krystal Aquachem JV was formed as an integrated joint venture to undertake designing, building, and commissioning including rehabilitation, upgradation/expansion of the common effluent treatment plant with operation and maintenance in Ambernath and Additional Ambernath Industrial Areas.

Share and Participation

The share and the participation of the partners in the Krystal Aquachem JV is as follows:

Name of the Contractor	Share of Participation
Our Company	97%
Aquachem Enviro Engineers Private Limited	3%

Please note that the Krystal Aquachem JV is not a joint venture company. For further details, please see "*Financial Information*" page 250.

2. BVG Krystal Joint Venture ("BKJV")

Corporate Information

BKJV was incorporated as a partnership on June 2, 2009 under the Indian Partnership Act, 1932, having its registered office at 19/40/C2, Seksaria Industrial Estate, Chincholi Bunder Road (off S.V. Road), Malad West, Mumbai 400 064, Maharashtra, India. The partnership was formed pursuant to the memorandum of understanding for joint venture agreement dated February 6, 2009, between our Company and BVG India Limited, entered into for the purpose of submitting a bid for a tender issued by the Municipal Corporation of Greater Mumbai for certain security services.

Nature of Business

BKJV 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.

Share and Participation

The initial capital of BKJV was ₹50,000. The following is the initial capital contribution and partner profit sharing ratio:

S.no.	Name of Partners	Initial Capital Contribution (Amount in ₹)	Profit Sharing (%)
1.	Our Company	24,500	49.00
2.	BVG India Limited	25,500	51.00
	Total	**50,000**	**100.00**

The business operations of BKJV did not take off for the joint venture and hence the capital invested by our Company was impaired in the Financial Year 2015-16. For further details, please see "*Financial Information*" on page 250.

3. Krystal Nangia JV

Our Company and Nangia & Co LLP have entered into a joint venture agreement dated July 17, 2023 ("**Nangia JV Agreement**") for the purposes of jointly participating in bidding process for a proposed project. In case the bid for the proposed project is not awarded to the Nangia JV, the JV Agreement will stand terminated. As on the date of this Draft Red Herring Prospectus, no separate joint venture entity or partnership has been formed pursuant to the JV Agreement.

Except as disclosed in the section "*Our Business*" and "*Financial Information*" beginning on page 183 and 250, our Company does not have any associates or strategic partnerships.

Details regarding Material Acquisition or Divestment of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets, if any, in the last ten years

Except as disclosed below, our Company has not acquired or divested any material business or undertaking, and has not undertaken any material merger, amalgamation or revaluation of assets in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Scheme of arrangement to transfer our "Smart City Business" to Volksara Techno Solutions Private Limited (VTSPL)

Our Company filed a scheme of arrangement ("**VTSPL Demerger Scheme**") under sections 230 to 232 and other applicable provisions of the Companies Act for demerger of "Smart City Business" of our Company to VTSPL. The VTSPL Demerger Scheme was approved by our Board on March 30, 2021. In accordance with the order of National Company Law Tribunal, Mumbai dated October 21, 2021, the requirement of meeting of equity shareholders of our Company and VTSPL was dispensed with as all equity shareholders of both the companies had already given their consent affidavits.

The VTSPL Demerger Scheme was approved by the National Company Law Tribunal, Mumbai pursuant to its order dated June 20, 2022 ("**NCLT Order**"). The appointed date of the VTSPL Demerger Scheme was April 1, 2020. As of the effective date of the VTSPL Demerger Scheme i.e. July 8, 2022, being the date on which the NCLT Order was filed with the Registrar of Companies, Maharashtra at Mumbai ("**Effective Date**"), the business of our Company in respect of IT and IT range of solution offerings like core ITES – cyber security services, data center services, smart & safe city, track & trace services, integrated building management services, smart traffic management, smart sewage management, PA system services etc. along with all the movable and immovable properties and liabilities relating to Smart City Business was demerged from our Company and vested with and into VTSPL on a going concern basis. In consideration of the transfer of Smart City Business, on August 21, 2023 the Equity Shareholders of our Company were allotted 147,750 equity shares of face value ₹ 10 of VTSPL fully paid up in the ratio of 1 equity share of face value ₹ 10 of VTSPL for every 39 Equity Shares of ₹ 10 each held in the Company. The VTSPL Demerger Scheme has been designated as a material document for inspection in connection with the Offer. The VTSP Demerger Scheme is part of "*Material Contracts and Documents for Inspection*" on page 407.

Details of guarantees given to third parties by our Promoter Selling Shareholder

Our Promoter Selling Shareholder, Krystal Family Holdings Private Limited and our Promoters Neeta Prasad Lad and Prasad Lad have personally guaranteed the repayment of certain cash credit facilities availed by the Company worth ₹ 450.00 million from State Bank of India. Additionally, our Promoter Selling Shareholder, Krystal Family Holdings Private Limited, along with our Promoters Prasad Lad, Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad, our Group Company Krystal Aviation Services Private Limited and Prasad Lad HUF, member of the Promoter Group have personally guaranteed the repayment of cash credit facilities of ₹ 525.00 million availed from Union Bank of India. For further details, please see "*Our Promoter and Promoter Group – Material Guarantees*" and "*Financial Indebtedness – Guarantee*" on pages 244 and 308, respectively.

Shareholders' Agreements and Other Agreements

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements. Except as stated below, as on the date of DRHP, our Company does not have any other agreements which are material to it, other than in the ordinary course of the business of our Company. Further, there are no other clauses/ covenants which are adverse or prejudicial to the interest of public shareholders of the Company:

Arrangement with Prasad Minesh Lad for appointment as Chief Mentor

Prasad Minesh Lad was appointed as Chief Mentor of the Company vide appointment letter dated September 3, 2016, and recently re-appointed to the same position vide appointment letter dated September 18, 2023. He has been appointed as a whole-time employee of the Company and is entitled to receive a remuneration of ₹ 59.63 million per annum. Under the terms of his appointment, he is expected to fully comply with the Company's rules, regulations and policies, as well as maintain safe custody of the Company's assets in his possession.

Trademark licensing agreement dated September 19, 2021 between our Company and Prasad Minesh Lad

Our Company has entered into a trademark licensing agreement dated September 19, 2021 with Prasad Minesh Lad, our Promoter, for non-exclusive and royalty free use of the 'Krystal' name and logo ("**Krystal Trademark Agreement**"). The Krystal Trademark Agreement is valid for a period of 10 years, expiring on September 19, 2031. Previously, our Company had entered into a trademark licensing agreement dated November 19, 2011, which expired on September 18, 2021. Prasad Minesh Lad, as the licensor, can terminate the Krystal Trademark Agreement by issuing a 30 days' notice, if our Company defaults in observing or performing any of its obligations under the agreement and fails to correct the default within 30 days. Our Company can terminate the agreement with written notice of 30 days.

For details, see "*Our Business – Intellectual Property*" on page 200. For risks related to our intellectual property, see "*Risk Factors – We do not own the "Krystal" trademark or the trademark to our logo. We do not own the trademarks and logos used in our business, including the "Krystal" trademark, and have entered into Trademark License Agreements with one of our Individual Promoters for the usage of such intellectual property rights."* on page 46.

Trademark licensing agreement dated December 24, 2020 between Krystal Gourmet Private Limited and Prasad Minesh Lad

Krystal Gourmet Private Limited, one of our Subsidiaries, has entered into a trademark licensing agreement dated December 24, 2020 with Prasad Minesh Lad, our Promoter, for non-exclusive and royalty free use of the 'Krystal Gourmet' name and logo. The said agreement is valid for a period of 10 years, expiring on December 24, 2030. Previously, our Company had entered into a trademark licensing agreement dated November 19, 2011, which expired on December 23, 2020. Prasad Minesh Lad, as the licensor, can terminate the Krystal Trademark Agreement by issuing a 30 days' notice, if Krystal Gourmet defaults in observing or performing any of its obligations under the agreement and fails to correct the default within 30 days. Krystal Gourmet can terminate the agreement with written notice of 30 days.

For details, see "*Our Business – Intellectual Property*" on page 200. For risks related to our intellectual property, see "*Risk Factors – We do not own the "Krystal" trademark or the trademark to our logo. We do not own the trademarks and logos used in our business, including the "Krystal" trademark, and have entered into Trademark License Agreements with one of our Individual Promoters for the usage of such intellectual property rights."* on page 46.

Agreements with Key Managerial Personnel, Senior Management, Director, Promoters or any other employee

There are no agreements entered into by any of our Key Managerial Personnel, Senior Management or our Directors or our Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Common Pursuits between our Subsidiaries and our Company

Flame Facilities Private Limited is authorised by its constitutional document and is engaged in the same line of business as that of our Company. Except as disclosed in *"History and Certain Corporate Matters – Our Subsidiaries"* and in the section "*Other Financial Information –Related Party Transactions*" on pages 211 and 304, respectively, there are no common pursuits between our Subsidiaries and our Company. Our Company shall adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when they arise.

Business Interest of our Subsidiaries in our Company

Except as disclosed in the section "*Other Financial Information – Related Party Transactions*" on page 304, our Subsidiaries do not have or propose to have any business interest in our Company.

OUR MANAGEMENT

Board of Directors

In accordance with the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board comprises 10 Directors, of which one is the Managing Director, four are Whole-time Directors and five are Independent Directors, including three women Independent Directors.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus.

S. No.	Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth	Age (Years)	Other Directorships
1.	**Neeta Prasad Lad** ***DIN*****:** 01122234 ***Designation*****:** Chairperson and Managing Director ***Address*****:** Atharva Plot No. 61, Bhaudaji Road, Near Indian Gymkhana, Matunga, Mumbai, Maharashtra, India, 400 019 ***Occupation*****:** Business ***Term*****:** Three years commencing from September 15, 2023 until September 14, 2026, liable to retire by rotation ***Period of Directorship***: Since April 1, 2006 ***Date of birth:*** November 25, 1966	56	***Indian Companies:*** • Krystal Gourmet Private Limited • Volksara Techno Solutions Private Limited • Krystal Aviation Services Private Limited • Embarq Motor world Private Limited • Flame Facilities Private Limited • Krystal Family Holdings Private Limited • Shoubham Cinevisions Private Limited ***Foreign Companies:*** Nil
2.	**Pravin Ramesh Lad** ***DIN*****:** 01710743 ***Designation*****:** Whole-time Director ***Address*****:** 10/22, Rakhangi Mahal, Acharay Donde Marg, Parel, Mumbai, Maharashtra, India, 400 012 ***Occupation*****:** Service ***Term*****:** Three years commencing from September 15, 2023 until September 14, 2026, liable to retire by rotation ***Period of Directorship*****:** Since October 15, 2009 ***Date of birth:*** January 9, 1976	47	***Indian Companies:*** • Krystal Gourmet Private Limited ***Foreign Companies*** Nil
3.	**Sanjay Suryakant Dighe** ***DIN*****:** 02042603 ***Designation*****:** Chief Executive Officer and Whole-time Director	58	***Indian Companies:*** • Krystal Gourmet Private Limited • Volksara Techno Solutions Private Limited

<table>
<tr><th>S. No.</th><th>Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth</th><th>Age (Years)</th><th>Other Directorships</th></tr>
<tr><td></td><td>Address: Flat no. 102 A-2 Juee Nandanvan, Pimple, Nilakh, Pune, Maharashtra, India, 411 027

Occupation: Service

Term: Three years commencing from September 15, 2023 until September 14, 2026, liable to retire by rotation

Period of Directorship: Since December 8, 2010

Date of birth: August 29, 1965</td><td></td><td>• Healthlog Services and Applications Private Limited
• Flame Facilities Private Limited

Foreign Companies:

Nil</td></tr>
<tr><td>4.</td><td>Saily Prasad Lad

DIN: 05336504

Designation: Whole-time Director

Address: Atharva Plot No. 61, Bhaudaji Road, Near Indian Gymkhana, Matunga, Mumbai, Maharashtra, India, 400 019

Occupation: Business

Term: Three years commencing from September 15, 2023 until September 14, 2026, liable to retire by rotation

Period of Directorship: Since October 20, 2015

Date of birth: December 12, 1991</td><td>31</td><td>Indian Companies:

• Krystal Gourmet Private Limited
• Volksara Techno Solutions Private Limited
• Krystal Aviation Services Private Limited
• Blue Knight Capital Private Limited
• Navagunjara Finance Private Limited
• Flame Facilities Private Limited
• Krystal Family Holdings Private Limited
• Krystal Allied Services Private Limited
• Shoubham Cinevisions Private Limited

Foreign Companies:

Nil</td></tr>
<tr><td>5.</td><td>Shubham Prasad Lad

DIN: 07557584

Designation: Whole-time Director

Address: Atharva Plot No. 61, Bhaudaji Road, Near Indian Gymkhana, Matunga, Mumbai, Maharashtra, India, 400 019

Occupation: Business

Term: Three years commencing from September 15, 2023 until September 14, 2026, liable to retire by rotation

Period of Directorship: Since March 5, 2019</td><td>27</td><td>Indian Companies:

• Krystal Gourmet Private Limited
• Volksara Techno Solutions Private Limited
• Navagunjara Finance Private Limited
• Flame Facilities Private Limited
• Ur Deil Private Limited
• Krystal Family Holdings Private Limited
• Krystal Allied Services Private Limited
• Shoubham Cinevisions Private Limited</td></tr>
</table>

S. No.	Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth	Age (Years)	Other Directorships
	Date of birth: November 2, 1995		***Foreign Companies:*** Nil
6.	**Vijay Kumar Agarwal** ***DIN*:** 00058548 ***Designation*:** Independent Director ***Address*:** A 93 Kalpataru Solitaire, N S Road No 5 JVPD Scheme, Mumbai, Maharashtra, India, 400 049 ***Occupation*:** Chartered Accountant ***Term*:** Five years commencing from June 21, 2023 until June 20, 2028, not liable to retire by rotation ***Period of Directorship*:** Since June 21, 2023 ***Date of birth:*** June 29, 1957	66	***Indian Companies:*** • Aditya Birla Insurance Brokers Limited • Aditya Birla Renewables Energy Limited • Motilal Oswal Trustee Company Limited • Aditya Birla Renewables Solar Limited • ABRel Green Energy Limited • ABRel (Odisha) SPV Limited • Gujarat Themis Biosyn Limited • Sanskar India Foundation • Aditya Birla Sun life Pension Management Limited ***Foreign Companies:*** Nil
7.	**Sunder Ram Govind Raghavan Korivi** ***DIN*:** 01590692 ***Designation*:** Independent Director ***Address*:** B-101, Satyam Heritage, Brahma Kumaris Marg, Near Vijay Park, Mira Road East, Thane, Maharashtra, India, 401 107 ***Occupation*:** Professional (Professor) ***Term*:** Five years commencing from June 30, 2023 until June 29, 2028, not liable to retire by rotation ***Period of Directorship*:** Since June 30, 2023 ***Date of birth:*** October 9, 1963	59	***Indian Companies:*** Nil ***Foreign Companies:*** Nil
8.	**Dr. Yajyoti Digvijay Singh** ***DIN*:** 07971678 ***Designation*:** Independent Director ***Address*:** Bunglow No T-9, Dorabjee Paradise, Next to Vibgyor School, Mohammadwadi, Pune, Maharashtra, India, 411 060	58	***Indian Companies:*** Nil ***Foreign Companies:*** Nil

S. No.	Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth	Age (Years)	Other Directorships
	Occupation*:** Self-employed ***Term*:** Five years commencing from August 25, 2023 until August 24, 2028, not liable to retire by rotation ***Period of Directorship*:** Since August 25, 2023 ***Date of birth: July 11, 1965		
9.	**Lt. Colonel Kaninika Thakur** ***DIN*:** 10269540 ***Designation*:** Independent Director ***Address*:** 1406, T 10, L&T Emerald Isle, Saki Vihar Road, Powai, Maharashtra, India, 400 072 ***Occupation*:** Self-employed ***Term*:** Five years commencing from August 25, 2023 until August 24, 2028, not liable to retire by rotation ***Period of Directorship*:** Since August 25, 2023 ***Date of birth:*** June 4, 1980	43	***Indian Companies:*** Nil ***Foreign Companies:*** Nil
10.	**Dhanya Pattathil** ***DIN*:** 00130569 ***Designation*:** Independent Director ***Address*:** Kongattil House, Chirakkal Temple Road, Annakara, Mullasery, NA, Thrissur, Kerala, India, 680 508 ***Occupation*:** Professional ***Term*:** Five years commencing from August 3, 2023 until August 2, 2028, not liable to retire by rotation ***Period of Directorship*:** Since August 3, 2023 ***Date of birth:*** October 4, 1977	45	***Indian Companies:*** Avanzo Cyber Security Solution Private Limited ***Foreign Companies:*** Nil

Relationship between our Directors

Except Neeta Prasad Lad, Saily Prasad Lad and Shubham Prasad Lad, none of our Directors, Key Managerial Personnel and Senior Management are related to each other.

Brief Biographies of our Directors

Neeta Prasad Lad is the Chairperson and Managing Director of our Company. She obtained her executive master's degree in business administration with specialization in finance management from the Indian School of Business Management and Administration. She has been associated with our Company as a Director since April 1, 2006. She is responsible for overseeing the business management functions, welfare planning and implementation of the workforce in the Company.

Pravin Ramesh Lad is a Whole-time Director of our Company. He obtained his bachelor's degree in management studies with a specialization in human resource management from the Indian School of Business Management and Administration and his executive master's degree in business with a specialization in operation management from the Indian School of Business Management and Administration. He has been associated with our Company as a Director since October 15, 2009. He is responsible for managing the government and special projects business and operations in the Company.

Sanjay Suryakant Dighe is the Chief Executive Officer and Whole-time Director of our Company. He obtained a degree in mechanical engineering from Abhinava Abhiyantriki Mahavidyalaya, Pune. He was previously associated with Birla Sun Life Insurance Company Limited. He has been associated with our Company as a Director since December 8, 2010. He is involved in the core business management activities of the Company and focuses on the long-term growth and strategy planning in the Company.

Saily Prasad Lad is a Whole-time Director of our Company. She obtained her International Baccalaureate diploma degree from RBK International Academy. She has been associated with our Company as a Director since October 20, 2015. She is responsible for business management decisions in the Company.

Shubham Prasad Lad is a Whole-time Director of our Company. He obtained his bachelor's degree of arts in business management – HRM from the University of Westminster and a Master of Science degree in international management (marketing) from the Royal Holloway and Bedford New College, University of London. He has been associated with our Company as a Director since March 5, 2019. He is responsible for strategic business decisions in the Company.

Vijay Kumar Agarwal is an Independent Director of our Company. He is a fellow member of Institute of Chartered Accountants of India. He is currently on the board of directors of Gujarat Themis Biosyn Limited. He has been associated with our Company since June 21, 2023.

Sunder Ram Govind Raghavan Korivi is an Independent Director of our Company. He obtained his bachelor's degree of commerce from Narsee Monjee College of Commerce and Economics and a Master of Arts (External) degree from the University of Mumbai. He obtained the degree of Doctor of Philosophy (commerce) in business policy and administration from H.R. College of Commerce and Economics, University of Mumbai. He is associated with the Indian Institute of Corporate Affairs as an adjunct faculty and was previously associated with the National Institute of Financial Management, the National Institute of Securities Markets, SP Jain Institute of Management Studies and Research and Narsee Monjee Institute of Management Studies as a professor. He has been associated with our Company since June 30, 2023.

Dr. Yajyoti Digvijay Singh is an Independent Director of our Company. She obtained her bachelor's degree of education from the University of Pune and Doctor of Philosophy degree in faculty of moral and social sciences from Tilak Maharashtra University. She was previously associated as a director with the Foundation for Child Protection, Muskaan. She has been associated with our Company since August 25, 2023.

Lt. Colonel Kaninika Thakur is an Independent Director of our Company. She obtained her bachelor's degree of science from Rani Durgawati University, Jabalpur. She was previously associated with the Indian Army, and with Alembic Pharmaceuticals Limited as the Deputy General Manager - Human Resources. She has been associated with our Company since August 25, 2023.

Dhanya Pattathil is an Independent Director of our Company. She obtained her bachelor's degree of commerce from Mahatma Gandhi University and her master's degree of business administration from the National Institute of Business Management. She is currently on the board of directors of Avanzo Cyber Security Solutions Private Limited. She has been associated with our Company since August 3, 2023.

Terms of appointment of our Directors

1. Appointment details of our Chairperson and Managing Director

Neeta Prasad Lad is the Chairperson and Managing Director of our Company. She was first appointed as an Additional Director of our Company pursuant to a board resolution dated April 1, 2006 and was redesignated as a Director vide shareholders resolution dated September 29, 2006. She was further appointed as the Chairperson and Managing Director of our Company, pursuant to the Board resolution dated September 15, 2023 and shareholders resolution dated September 18, 2023. She was appointed for a term of three years with effect from September 15, 2023. She was paid remuneration of ₹ 25.13 million for the financial year ended on March 31, 2023.

Pursuant to the board resolution dated September 15, 2023 and shareholder resolution dated September 18, 2023, Neeta Prasad Lad is entitled to a maximum remuneration of ₹ 50 million per annum in her tenure.

As per the employment agreement dated September 18, 2023, details of the remuneration to be paid in Fiscal Year 2024 are enumerated below:

S. No.	Particulars	Remuneration per annum (₹ million)
1.	Basic salary	₹ 25.13
2.	Others	Perquisites and allowances include: (i) company's contribution to provident fund and superannuation fund (ii) gratuity and leaves with full pay as per the rules of the Company (iii) reimbursement of medical expenses for self and family as per the insurance policy and personal accident insurance policy as per the scheme of insurance (iv) any other allowances, perquisites, benefits and facilities at the discretion of the Board of Directors.

2. Appointment details of our Whole-Time Directors

Pravin Ramesh Lad

Pravin Ramesh Lad is the Whole-time Director of our Company. He was first appointed as an Additional Director of our Company pursuant to a board resolution dated October 15, 2009 and was redesignated as a Director vide shareholders resolution dated September 30, 2010. He was further appointed as the Whole-time Director of our Company, pursuant to the Board resolution dated September 15, 2023 and shareholders resolution dated September 18, 2023. He was appointed for a term of three years with effect from September 15, 2023. He was paid remuneration of ₹ 9.46 million for the financial year ended on March 31, 2023.

Pursuant to the board resolution dated September 15, 2023 and shareholder resolution dated September 18, 2023, Pravin Ramesh Lad is entitled to a maximum remuneration of ₹ 18.48 million per annum in his tenure.

As per the employment agreement dated September 18, 2023, details of the remuneration to be paid in Fiscal Year 2024 are enumerated below:

S. No.	Particulars	Remuneration per annum (₹ million)
1.	Basic salary	₹ 9.46
2.	Others	Perquisites and allowances include: (i) company's contribution to provident fund and superannuation fund (ii) gratuity and leaves with full pay as per the rules of the Company (iii) reimbursement of medical expenses for self and family as per the insurance policy and personal accident insurance policy as per the scheme of insurance (iv) any other allowances, perquisites, benefits and facilities at the discretion of the Board of Directors.

Sanjay Suryakant Dighe

Sanjay Suryakant Dighe is the Chief Executive Officer and Whole-time Director of our Company. He was first appointed as an Additional Director of our Company pursuant to a board resolution dated December 8, 2010 and was redesignated as a Director vide shareholders resolution dated September 30, 2010. He was further appointed as the Whole-time Director of our Company, pursuant to the Board resolution dated September 15, 2023 and shareholders resolution dated September 18, 2023. He was appointed for a term of three years with effect from September 15, 2023. He was paid remuneration of ₹ 20.86 million for the financial year ended on March 31, 2023 (including arrears amounting to ₹ 8.66 million for Financial Year 2022).

Pursuant to the board resolution dated September 15, 2023 and shareholder resolution dated September 18, 2023, Sanjay Suryakant Dighe is entitled to a maximum remuneration of ₹ 23.81 million per annum in his tenure.

As per the employment agreement dated September 18, 2023, details of the remuneration to be paid in Fiscal Year 2024 are enumerated below:

S. No.	Particulars	Remuneration per annum (₹ million)
1.	Basic salary	₹ 12.19
2.	Others	Perquisites and allowances include: (i) company's contribution to provident fund and superannuation fund (ii) gratuity and leaves with full pay as per the rules of the Company (iii) reimbursement of medical expenses for self and family as per the insurance policy and personal accident insurance policy as per the scheme of insurance (iv) any other allowances, perquisites, benefits and facilities at the discretion of the Board of Directors.

Saily Prasad Lad

Saily Prasad Lad is a Whole-time Director of our Company. She was first appointed as an Additional Director of our Company pursuant to a board resolution dated October 20, 2015 and was redesignated as a Director vide shareholders resolution dated September 30, 2016. She was further appointed as a Whole-time Director of our Company, pursuant to the Board resolution dated September 15, 2023 and shareholders resolution dated September 18, 2023. She was appointed for a term of three years with effect from September 15, 2023. She was not paid any remuneration for the financial year ended on March 31, 2023, however she received a professional fee of ₹ 1.67 million.

Saily Prasad Lad is not entitled to receive any remuneration for the Fiscal Year 2024. Details of the professional fees to be paid in Fiscal Year 2024 are enumerated below:

S. No.	Particulars	Amount per annum (₹ million)
1.	Professional fees	₹ 1.67

Shubham Prasad Lad

Shubham Prasad Lad is the Whole-time Director of our Company. He was first appointed as an Additional Director of our Company pursuant to a board resolution dated March 5, 2019 and was redesignated as a Director vide shareholders resolution dated September 30, 2019. He was further appointed as the Whole-time Director of our Company, pursuant to the Board resolution dated September 15, 2023 and shareholders resolution dated September 18, 2023. He was appointed for a term of three years with effect from September 15, 2023. He was paid remuneration of ₹ 4.95 million for the financial year ended on March 31, 2023.

Pursuant to the board resolution dated September 15, 2023 and shareholder resolution dated September 18, 2023, Shubham Prasad Lad is entitled to a maximum remuneration of ₹ 9.66 million per annum in his tenure.

As per the employment agreement dated September 18, 2023, details of the remuneration to be paid in Fiscal Year 2024 are enumerated below:

S. No.	Particulars	Remuneration per annum (₹ million)
1.	Basic salary	₹ 4.95
2.	Others	Perquisites and allowances include: (i) company's contribution to provident fund and superannuation fund (ii) gratuity and leaves with full pay as per the rules of the Company (iii) reimbursement of medical expenses for self and family as per the insurance policy and personal accident insurance policy as per the scheme of insurance (iv) any other allowances, perquisites, benefits and facilities at the discretion of the Board of Directors.

Employment Agreement between our Company and Directors

As on the date of this DRHP, the Company has entered into employment agreements with the Managing Director and Whole-time Directors of the Company.

3. Remuneration details of our Independent Directors

The remuneration paid to the Independent Directors is, either by way of fees for attending the meetings of Board and its committees, reimbursement of expenses incurred by them to attend Board or committee meetings, and/ or in such other way as may be approved by the Board.

Pursuant to Board resolution dated August 25, 2023, Independent Directors receive ₹ 0.10 million for each meeting of our Board, ₹ 0.025 million for attending each meeting of any committee.

As the Independent Directors have been appointed on the Board in the present Fiscal Year, hence, no remuneration has been paid in the Financial Year 2023.

Other than the deferred remuneration payable as stated in "*Other Financial Information – Related Party Transactions*" on page 304, there is no deferred or contingent compensation payable to any of our Directors for Fiscal 2023.

Remuneration from Subsidiaries or Joint Ventures

None of our Directors have been paid any remuneration by our Subsidiaries or Joint Ventures, including contingent or deferred compensation accrued for the year during Fiscal 2023.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Details of the shareholding of the Directors in our Company are set out below:

S. No.	Name of the Director	No. of Equity Shares
1.	Neeta Prasad Lad	2
2.	Pravin Ramesh Lad	2
3.	Sanjay Suryakant Dighe	2
4.	Saily Prasad Lad	2
5.	Shubham Prasad Lad	2

As on the date of the DRHP, no employee stock options have been granted to our Directors under Krystal ESOP

Plan, 2023.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed or selected as a director pursuant to any arrangement or understanding with our major shareholders, customers, suppliers, or others.

Except for employment agreements entered into with Whole-time Directors for their appointment, there are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board and committees of our Board and other remuneration or commission, if any, payable or reimbursement of expenses to them under our Articles of Association or to the extent of services rendered as an officer or employee of our Company, (ii) Equity Shares, if any, already held by them or their relatives or any firms, companies and trusts in which our Directors are interested as a director, member, partner or trustee, in our Company, or that may be Allotted to them in the Offer in terms of the Red Herring Prospectus and any dividend payable to them and other benefits arising out of such shareholding, (iii) stock options granted or that may be granted to them pursuant to the Krystal ESOP Plan, 2023, (iv) transactions entered into in the ordinary course of business with companies in which our Directors hold directorship, and (v) their directorship on the board of directors of, and/or their shareholding in our Company, Joint Ventures, Subsidiaries and our Group Companies, as applicable.

Except for Neeta Prasad Lad, Saily Prasad Lad and Shubham Pasad Lad, who are the Promoters of our Company, none of our Directors are interested in the promotion or formation of our Company.

Except as provided in "*Other Financial Information – Related Party Transactions"* on page 304, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as a Director of our Company.

Except in respect of statutory benefits upon termination of their employment in our Company or on retirement, our Company has not entered into any service contracts with our Directors providing for benefits upon termination of their employment.

None of our Directors is a party to any bonus or profit-sharing plan by our Company.

Except for the rent paid to Neeta Prasad Lad as stated in "*Other Financial Information – Related Party Transactions"* on page 304 and as disclosed in "*Our Promoters and Promoter Group*" on page 241, our Directors have no interest in any property acquired by our Company preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or of our Company.

None of our Directors have any interest in our business other than as disclosed in this section and in "*Our Promoters and Promoter Group*", "*Our Group Companies*" and "*Other Financial Information – Related Party Transactions*", on pages 241, 246 and 304, respectively.

Except as disclosed in "*Our Promoters and Promoter Group*" on page 241, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

As on the date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges in India during the term of their directorship in such company.

None of our Directors is, or was a director of any company which has been, or was delisted from any stock exchange in India during the term of their directorship in such company.

Our Directors are not interested as a member of a firm or company and no consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the Last Three Years

The changes in our Board in the three immediately preceding years are set forth below:

S. No.	Name	Effective Date of Appointment/ Change in Designation/ Cessation	Reason
1.	Vijay Kumar Agarwal*	June 21, 2023	Appointment as Additional Director (Independent)
2.	Sunder Ram Govind Raghavan Korivi*	June 30, 2023	Appointment as Additional Director (Independent)
3.	Dhanya Pattathil*	August 3, 2023	Appointment as Additional Director (Independent)
4.	Dr. Yajyoti Digvijay Singh*	August 25, 2023	Appointment as Additional Director (Independent)
5.	Lt. Colonel Kanika Thakur*	August 25, 2023	Appointment as Additional Director (Independent)
6.	Neeta Prasad Lad	September 15, 2023	Change in designation
7.	Pravin Ramesh Lad	September 15, 2023	Change in designation
8.	Sanjay Suryakant Dighe	September 15, 2023	Change in designation^
9.	Saily Prasad Lad	September 15, 2023	Change in designation
10.	Shubham Prasad Lad	September 15, 2023	Change in designation

**Regularised as an Independent Director on September 08, 2023.*
^Appointed as Chief Executive Officer and Whole-time Director as per Companies Act, 2013.

Borrowing Powers of our Board

Pursuant to provisions of Section 180(1)(c), our Articles of Association, board resolution dated September 15, 2023, and shareholders resolution dated September 18, 2023, subject to applicable laws, our Board is authorised to borrow any sum or sums of monies, which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 5000 million.

Pursuant to provisions of Section 180(1)(a), board resolution dated September 15, 2023, and shareholders resolution dated September 18, 2023, subject to applicable laws, our Board is authorized to mortgage and/or charge, as the Board of Directors may deem fit, the movable and/or immovable properties of the Company, in favour of any person to secure the debentures, loans, finance or other credit facilities availed by the Company up to a sum not exceeding ₹ 5000 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, stakeholder's relationship committee, nomination, remuneration and compensation committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board of Directors functions either as a full board, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Audit Committee

The members of our Audit Committee are:

Name of Director	Designation	Position in the Committee
Vijay Kumar Agarwal	Independent Director	Chairperson
Sunder Ram Govind Raghavan Korivi	Independent Director	Member
Sanjay Suryakant Dighe	Chief Executive Officer and Whole-time Director	Member

Our Audit Committee was constituted by our Board pursuant to a resolution dated August 25, 2023. The terms of reference of the Audit Committee was approved by our Board pursuant to a resolution dated August 25, 2023.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as disclosed below:

(i) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;

(iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

b. changes, if any, in accounting policies and practices and reasons for the same;

c. major accounting entries involving estimates based on the exercise of judgment by management;

d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with listing and other legal requirements relating to financial statements;

f. disclosure of any related party transactions;

g. modified opinion(s) in the draft audit report;

(v) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(viii) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(ix) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(x) scrutiny of inter-corporate loans and investments;

(xi) valuation of undertakings or assets of the Company, wherever it is necessary;

(xii) evaluation of internal financial controls and risk management systems;

(xiii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiv) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xv) discussion with internal auditors of any significant findings and follow up thereon;

(xvi) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvii) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xviii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xix) to review the functioning of the whistle blower mechanism;

(xx) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xxi) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering;

(xxii) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law, as and when amended from time to time;

(xxiii) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

(xxiv) consider the rationale, cost, benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company and its shareholders;

(xxv) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(xxvi) laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature and for the period prescribed under Applicable Law;

(xxvii) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(xxviii) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis;

(xxix) to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;

(xxx) Review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.

The Audit Committee shall mandatorily review the following information:

(i) management discussion and analysis of financial condition and results of operations;

(ii) management letters / letters of internal control weaknesses issued by the statutory auditors;

(iii) internal audit reports relating to internal control weaknesses;

(iv) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

(v) statement of deviations:

  (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and

  (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

  (iii) review the financial statements, in particular, the investments made by any unlisted subsidiary; and

  (iv) such information as may be prescribed under the Companies Act and SEBI Listing Regulations."

The powers of the Audit Committee shall include the following:

(i) to investigate any activity within its terms of reference;

(ii) to seek information from any employee of the Company;

(iii) to obtain outside legal or other professional advice; and

(iv) to secure attendance of outsiders with relevant expertise, if it considers necessary.

(v) such powers as may be prescribed under the Companies Act and SEBI Listing Regulations"

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations. The Audit Committee has the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by our Board for such purpose.

Nomination, Remuneration and Compensation Committee

The members of the Nomination, Remuneration and Compensation Committee are:

Name of Director	**Designation**	**Position in the Committee**

Lt. Colonel Kaninika Thakur	Independent Director	Chairperson
Dr. Yajyoti Digvijay Singh	Independent Director	Member
Dhanya Pattathil	Independent Director	Member

The Nomination, Remuneration and Compensation Committee was re-constituted by our Board pursuant to a resolution dated August 25, 2023. The terms of reference of the Nomination, Remuneration and Compensation Committee were approved by our Board pursuant to a resolution dated August 25, 2023.

The scope and functions of the Nomination, Remuneration and Compensation Committee are in accordance with Section 178 of the Companies Act, Regulation 19 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

(i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management personnel and other employees.

(ii) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates;

The Nomination, Remuneration and Compensation Committee, while formulating the above policy, should ensure that:

a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(iii) formulation of criteria for evaluation of performance of independent directors and the Board;

(iv) The NRC shall specify the criteria/manner for effective evaluation of performance of Board, its Committees and individual Directors of the Company to be carried out either by the Board, by itself or by an independent external agency and review its implementation and compliance;

(v) devising a policy on diversity of Board;

(vi) The NRC shall identify the core skills/expertise/competencies that are required amongst the directors of the Company;

(vii) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

(viii) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(ix) recommend to the board, all remuneration, in whatever form, payable to senior management;

(x) periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;

(xi) ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;

(xii) developing a succession plan for the Board and senior management and regularly reviewing the plan;

(xiii) carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

The Nomination, Remuneration and Compensation Committee is required to meet at least once every year in accordance with the SEBI Listing Regulations.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Name of Director	Designation	Position in the Committee
Sunder Ram Govind Raghavan Korivi	Independent Director	Chairperson
Dhanya Pattathil	Independent Director	Member
Sanjay Suryakant Dighe	Chief Executive Officer and Whole-time Director	Member

The Stakeholders' Relationship Committee was constituted by our Board pursuant to a resolution dated August 25, 2023. The terms of reference of the Stakeholders' Relationship Committee were approved by our Board pursuant to a resolution dated August 25, 2023.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

(i) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

(ii) reviewing of adherence to the service standards adopted by the Company with respect of various services being rendered by the registrar and share transfer agent of our Company and to recommend measures of overall improvement in the quality of investor services;

(iii) review of measures taken for effective exercise of voting rights by shareholders;

(iv) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities and ensure proper and timely attendance and redressal of investor queries and grievances;

(v) Giving effect to all transfer or transmission of shares and other securities, dematerialisation of shares and rematerialisation of shares, split and issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company, compliance with all requirements related to shares and other securities from time to time;

(vi) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;

(vii) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(viii) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(ix) Monitor and review any investor complaints received by the Company from the Investors, Stock Exchanges, Ministry of Corporate Affairs, SEBI, SCORES, etc. and to ensure its timely and speedy resolution, in consultation with the Company Secretary and Compliance Officer and Registrar and Share Transfer Agent of the Company; and

(x) Perform all functions relating to the interests of security holders of the Company and as assigned by the Board, as may be required by the provisions of the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various circulars / guidelines issued by SEBI or any other regulatory authority thereof, as amended from time to time.

The Stakeholders' Relationship Committee is required to meet at least once in a year in accordance with the SEBI Listing Regulations.

Risk Management Committee

The members of the Risk Management Committee are:

Name of Director	Designation	Position in the Committee
Vijay Kumar Agarwal	Independent Director	Chairperson
Lt. Colonel Kaninika Thakur	Independent Director	Member
Sanjay Suryakant Dighe	Chief Executive Officer and Whole-time Director	Member

he Risk Management Committee was constituted by our Board pursuant to a resolution dated August 25, 2023. The terms of reference of the Risk Management Committee were approved by our Board pursuant to a resolution dated August 25, 2023.

(i) To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entities, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
c. Business continuity plan.

(ii) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v) to keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi) to review the Company's risk-reward performance to align with the Company's overall policy objectives;

(vii) monitor and review regular updates on business continuity;

(viii) advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;

(ix) the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(x) Co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors; and

(xi) any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

The Risk Management Committee is required to meet at least twice in a year in accordance with the SEBI Listing Regulations.

IPO Committee

The members of the IPO Committee are:

Name of Director	Designation	Position in the Committee
Pravin Ramesh Lad	Whole-time Director	Chairperson
Saily Prasad Lad	Whole-time Director	Member
Sanjay Suryakant Dighe	Chief Executive Officer and Whole-time Director	Member

The IPO Committee was constituted by our Board pursuant to a resolution dated September 15, 2023.The terms of reference of the IPO Committee were approved by our Board pursuant to a resolution dated September 15, 2023.

(i) To decide on other matters in connection with or incidental to the Offer, including the Pre-IPO placement, timing, pricing and terms of the Equity Shares to be allotted/ transferred pursuant to the Offer, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening and bid/Offer closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BLRMs and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**");

(ii) To decide, negotiate and finalize, in consultation with the book running lead managers appointed in relation to the Offer (the "**BRLM(s)**"), all matters regarding the Pre-IPO Placement, if any, out of the fresh issue of Equity Shares by the Company in the Offer, decided by the Board, including entering into discussions and execution of all relevant documents with Investors;

(iii) To amend the terms of participation by the selling shareholder(s) in the Offer for Sale, including to allow revisions in the Offer for Sale portion, in accordance with Applicable Laws;

(iv) To approve amendments to the memorandum of association and the articles of association of the Company;

(v) To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale including the quantum in terms of number of Equity Shares/amount offered by the selling shareholder(s) in the Offer, allowing revision of the offer for sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

(vi) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus (the "**DRHP**"), the red herring prospectus (the "**RHP**") and the prospectus ("**Prospectus**") as applicable;

(vii) To finalize, settle, approve, adopt and file in consultation with the BRLM(s) where applicable, the DRHP, the RHP, the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, together with any summaries thereof and take all such actions as may be necessary for the submission, filing, refiling and/or withdrawal of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(viii) To appoint and enter into and terminate arrangements with the BRLM(s), and appoint and enter into and terminate arrangements, in consultation with the BRLM(s), with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund banker(s) to the Offer, registrar(s) to the Offer, public offer account banker(s) to the Offer, sponsor bank(s), legal advisor(s), auditor(s), independent chartered accountant(s), advertising agency, depository(ies), custodian(s), grading agency, monitoring agency, industry expert, credit rating agency(ies), printers, and any other agencies or persons or intermediaries whose appointment is required in relation to the Offer including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the engagement letter with the BRLM(s) and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the BRLM(s) and the Selling Shareholder(s), if any;

(ix) To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;

(x) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLM(s);

(xi) and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

(xii) To authorise the maintenance of a register of holders of the Equity Shares;

(xiii) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, vendors, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

(xiv) To open and operate bank accounts in terms of Section 40(3) of the Companies Act, 2013, as amended and the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xv) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(xvi) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(xvii) To approve codes of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

(xviii) To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and the uniform listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

(xix) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Offer to sign all or any of the aforestated documents;

(xx) To authorize and approve notices, advertisements in relation to the Offer, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Offer;

(xxi) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLM(s);

(xxii) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

(xxiii) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

(xxiv) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

(xxv) authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

(xxvi) authorizing any officers (the "**Authorized Officers**"), for and on behalf of the Company, to negotiate, finalize, execute, deliver and terminate, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that any such Authorized Officer considers necessary, desirable or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the uniform listing agreements with the relevant stock exchanges, the registrar's agreement, the depositories agreements, the offer agreement with the Selling Shareholder(s) and the book running lead managers (and other entities as appropriate), the underwriting agreement, the share escrow agreement, the syndicate agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, the advertisement agency agreement, and any agreement or document in connection with any Pre-IPO Placement (including any placement agreement, escrow agreement and Offer documentation), with, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the book running lead managers, syndicate members, placement agents, registrar to the Offer, bankers to the Offer, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, credit rating agencies, advertising agencies, monitoring agencies, and all such persons or agencies as may be involved in or concerned with the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

(xxvii) To submit undertaking/certificates or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;

(xxviii) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(xxix) To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

(xxx) To refile or withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLM(s); and

(xxxi) To delegate any of its powers set out under (i) to (xxix) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company."

Corporate Social Responsibility ("CSR") Committee

The members of the CSR Committee are:

Name of Director	Designation	Position in the Committee
Neeta Prasad Lad	Chairperson and Managing Director	Chairperson
Dr. Yajyoti Digvijay Singh	Independent Director	Member
Sanjay Suryakant Dighe	Chief Executive Officer and Whole-time Director	Member

The CSR Committee in supersession of the resolution dated July 31, 2014 passed by the Board for its constitution, was re-constituted by our Board pursuant to a resolution dated August 25, 2023. The terms of reference of the CSR Committee were approved by our Board pursuant to a resolution dated August 25, 2023.

(i) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Committee as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(ii) formulate and recommend to the Board an annual action plan for each financial year in pursuance of its Corporate Social Responsibility Policy including any modifications thereof which shall inter-alia include a list of CSR projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects and details of need and impact assessment for CSR projects, as may be applicable;

(iii) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(iv) Review and recommend CSR projects or programmes to the Board, to be considered as ongoing projects, for whose duration has extended beyond one year;

(v) Review the impact assessment of eligible CSR projects undertaken by the Company and/or the Foundation or other partner organization(s);

(vi) Recommend to the Board to transfer any Unspent CSR amount to a designated 'Unspent CSR Account', in the manner as prescribed under Section 135 of the Companies Act, 2013 and Rules made thereunder;

(vii) Approve the CSR report containing the disclosures as mandated under the CSR Rules, before it is presented to the Board for its approval and inclusion in the Directors' report;

(viii) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(ix) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(x) assistance to the Board to ensure that the Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

(xi) providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;

(xii) providing updates to the Board at regular intervals of six months on the corporate social responsibility activities;

(xiii) to recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;

(xiv) monitor the corporate social responsibility policy of the Company and its implementations from time to time; and

(xv) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be decided by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

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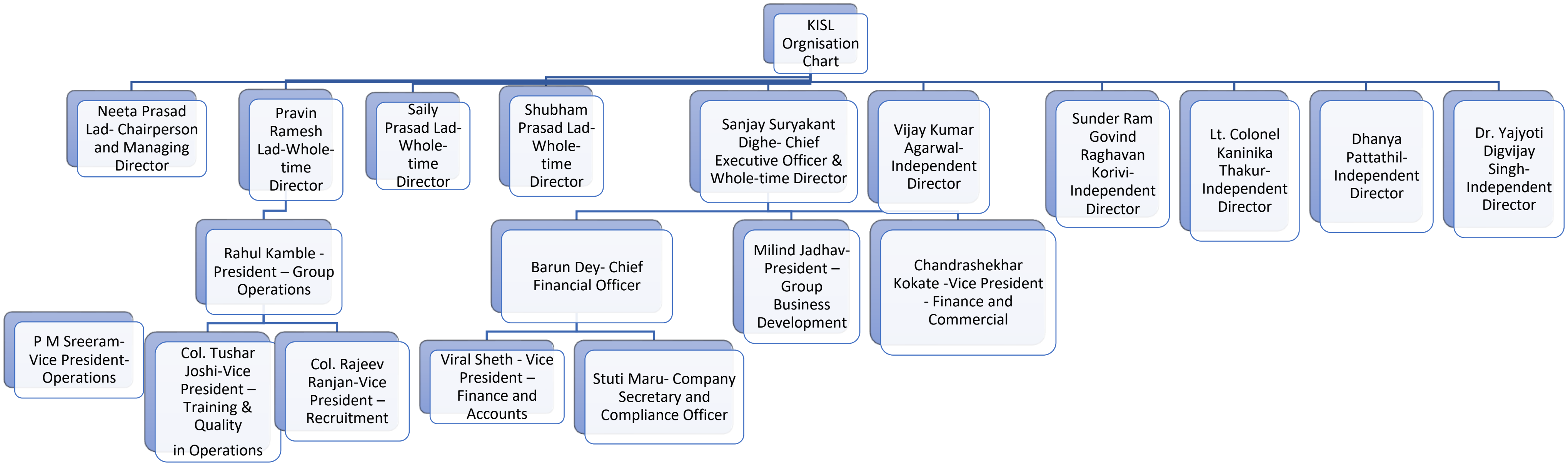
Management Organisation Structure



Key Managerial Personnel of our Company

The details of the Key Managerial Personnel in addition to our Managing Director and Whole-time Directors are set out below:

Barun Dey is the Chief Financial Officer and President – Finance & Accounts of our Company. He has been associated with our Company since July 4, 2019. He is an associate member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with G4S Secure Solutions (India) Private Limited. He heads the finance and accounts functions in our Company. In Fiscal Year 2023, he received a remuneration of ₹ 3.95 million.

Stuti Maru is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since August 25, 2023. She holds a bachelor's degree in commerce from University of Mumbai and is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated as a company secretary with our corporate promoter, Krystal Family Holdings Private Limited. She is responsible for managing the company secretarial functions in our Company. Since she was appointed on August 25, 2023, she was not paid any remuneration for her role as Company Secretary and Compliance Officer in our Company in Fiscal 2023.

Senior Management of our Company

In addition to the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company, whose details are provided in "– *Key Managerial Personnel*" on page 238, the details of our other Senior Management are set out below:

Milind Jadhav is the President – Group Business Development of our Company. He has been associated with our Company since April 1, 2001. He holds a bachelor's degree in management studies with a specialization in marketing management from the Indian School of Business Management and Administration and an executive master's degree in business administration in the field of marketing management from the Indian School of Business Management and Administration. He is responsible for handling the government and special projects business of our Company and heads the business development and sales in our Company. In Fiscal Year 2023, he received a remuneration of ₹ 6.53 million.

Rahul Kamble is the President – Group Operations of our Company. He has been associated with our Company since October 8, 2002. He holds a bachelor's degree in law from Mumbai University and a master's degree in the field of human resources development management (M.H.R.D.M.) from Mumbai University. He is responsible for handling the government and special projects business of our Company and heads the service delivery operations and revenue recognition of the Company. In Fiscal Year 2023, he received a remuneration of ₹ 6.90 million.

Chandrashekhar Kokate is the Vice President – Finance and Commercial of our Company. He has been associated with our Company since October 23, 2017. He holds a bachelor's degree in commerce from the University of Bombay. Prior to joining our Company, he was associated with Zicom Electronic Security Systems Limited. He heads the commercial, banking, supply chain management functions of our Company. In Fiscal Year 2023, he received a remuneration of ₹ 2.94 million.

Colonel Tushar Joshi is the Vice President – Training and Quality in Operations of our Company. He has been associated with our Company since September 5, 2022. He holds a master's degree in business administration in the field of logistics and supply chain management from the University of Petroleum and Energy Studies, Dehradun obtained and a diploma in senior level defence management from Devi Ahilyabai Vidyapeet, Indore. Prior to joining our Company, he was associated with the Indian Army. He currently heads the training and development functions in our Company. In Fiscal Year 2023, he received a remuneration of ₹ 1.75 million.

Viral Sheth is the Vice President –Vice President – Finance and Accounts. He has been associated with our Company since December 2, 2019. He holds a bachelor's degree in commerce from the University of Mumbai and is an associate member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with Lucina Land Development Limited (Indiabulls). He currently heads the direct and indirect taxation department of our Company. In Fiscal Year 2023, he received a remuneration of ₹ 2.22 million.

Colonel Rajeev Ranjan is the Vice President – Recruitment of our Company. He has been associated with our

Company since August 11, 2023. He holds a master's degree in science (tech. – weapon system) from the University of Pune and a post graduate certification in human resource management from the Indian Institute of Management, Shillong. Prior to joining our Company, he was associated with the Indian Army. He is responsible for the operational recruitment function in our Company. Since he was appointed on August 11, 2023, he was not paid any remuneration in Fiscal 2023.

P. M. Sreeram is the Vice President – Operations of our Company. He has been associated with our Company since July 13, 2012. He holds a bachelor's degree in commerce from Sri Venkateswara University. Prior to joining our Company, he was associated with Kalpataru's Hospitality and Facility Management Services Private Limited. He is responsible for the service delivery operations for the South region. In Fiscal Year 2023, he received a remuneration of ₹ 2.94 million.

Status of Key Managerial Personnel and Senior Management

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management

Except as disclosed in "- *Shareholding of our Directors in our Company*" on page 223 and "*Capital Structure - Equity share capital history of our Company*" on page 84, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Bonus or Profit-Sharing Plan of our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company. However, certain Key Managerial Personnel and Senior Management may be entitled to performance linked incentives under their respective terms of appointment.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel or Senior Management were selected as members of our management.

Interest of Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management have any interest in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business, and (ii) the Equity Shares held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding.

None of our Key Managerial Personnel and Senior Management have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment.

Other than as disclosed in this section and as disclosed in "*Other Financial Information –Related Party Transactions*" on page 304, our Company has not paid any compensation or granted any benefit to any of our Key Managerial Personnel and Senior Management in all capacities in Fiscal 2023.

Changes in the Key Managerial Personnel and Senior Management during the Last Three Years

The changes in our Key Managerial Personnel in the three immediately preceding years are set forth below:

Name	Designation	Date of Change	Reason for Change
Shalini Agrawal	Company Secretary	August 25, 2023	Resignation
Stuti Maru	Company Secretary	August 25, 2023	Appointment
Barun Dey	Chief Financial Officer	September 15, 2023	Re-designation

In addition to changes in Senior Management who are also Key Managerial Personnel, the changes in our Senior Management in the three immediately preceding years are set forth below:

Name	Designation	Date of Change	Reason for Change
Colonel Tushar Joshi	Vice President – Training and Quality in Operations	September 5, 2022	Appointment

Name	Designation	Date of Change	Reason for Change
Colonel Rajeev Ranjan	Vice President – Recruitment	August 11, 2023	Appointment

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, other than as disclosed above, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel or Senior Management for Fiscal 2023.

Payment or Benefit to Key Managerial Personnel and Senior Management

No amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel and Senior Management, other than normal remuneration, for services rendered as officers of our Company and other than as disclosed in "- *Interest of Directors*" and "*Other Financial Information –Related Party Transactions*" on page 224 and 304, respectively.

Other than statutory benefits upon termination of their employment in our Company on retirement, none of our Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Employee Stock Option/Purchase Schemes

As on the date of the draft red herring prospectus, none of our Key Managerial Personnel and Senior Management hold any employee stock options. For details of Krystal ESOP Plan, 2023, please see "*Capital Structure – Employee Stock Option Scheme*" on page 97.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Prasad Minesh Lad, Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad (Individual Promoters) and Krystal Family Holdings Private Limited (Corporate Promoter). For details of the build-up of the Promoters' shareholding in our Company, please see "*Capital Structure —Build-up of Promoters' Shareholding in our Company*" on page 89.

The details of our Promoters are as follows:

Individual Promoters

Prasad Minesh Lad

Prasad Minesh Lad, aged 52 years, is one of our Promoters. His date of birth is April 28, 1971. He resides at Atharva Plot No. 61, Bhaudaji Road, Opp Indian Gymkhana, Matunga, Mumbai 400 019. He holds a master's degree of business administration in human resource management from the Indian School of Business Management and Administration. He is on the board of directors of Mumbai District Central Co-operative Bank Limited. He was one of the founders of our Company and has previously held the position of Director in our Company. He is currently the Chief Mentor of our Company. For further details, please see "*History and Certain Corporate Matters —Shareholder Agreements and other agreements*" on page 214.

His permanent account number is AAAPL1474D.

Other than as disclosed above and in "*—Promoter Group*" on page 244, Prasad Minesh Lad is not involved in any other venture.

Neeta Prasad Lad

Neeta Prasad Lad is one of our Promoters and is also the Chairperson and Managing Director of our Company. For a complete profile of Neeta Prasad Lad, *i.e.*, her date of birth, age, residential address, educational qualifications, professional experience, her business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see "*Our Management*" on page 219.

Her permanent account number is AACPL5035A.

Other than as disclosed in "*—Promoter Group*" and "*Our Management*" on pages 244 and 216, respectively, Neeta Prasad Lad is not involved in any other venture.

Saily Prasad Lad

Saily Prasad Lad is one of our Promoters and is also a Whole-time Director of our Company. For a complete profile of Saily Prasad Lad, *i.e.*, her date of birth, age, residential address, educational qualifications, professional experience, her business and financial activities, positions/posts held in the past, other directorships, other ventures and special achievements, please see "*Our Management*" on page 220.

Her permanent account number is AFNPL4262P.

Other than as disclosed in "*—Promoter Group*" and "*Our Management*" on pages 244 and 217, respectively, Saily Prasad Lad is not involved in any other venture.

Shubham Prasad Lad

Shubham Prasad Lad is one of our Promoters and is also a Whole-time Director of our Company. For a complete profile of Shubham Prasad Lad, *i.e.*, his date of birth, age, residential address, educational qualifications, professional experience, his business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see "*Our Management*" on page 220.

His permanent account number is AMHPL0006C.

Other than as disclosed in "—*Promoter Group*" and "*Our Management*" on pages 244 and 217, respectively, Shubham Prasad Lad is not involved in any other venture.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhar card number and driving license number of Prasad Minesh Lad, Neeta Prasad Lad, Saily Prasad Lad and Shubham Prasad Lad will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Corporate Promoter

Krystal Family Holdings Private Limited

Corporate Information

Krystal Family Holdings Private Limited was originally formed and registered as a partnership firm under the Indian Partnership Act, 1932 under the name of 'Krystal Horizon' pursuant to a deed of partnership dated April 06, 2015. Pursuant to the conversion of 'Krystal Horizon' into a company under the provisions of Chapter XXI of the Companies Act, 2013, Krystal Family Holdings Private Limited was incorporated on October 25, 2016. The registered office of Krystal Family Holdings Private Limited is 15, Krystal House, Dr Mankikar Road, Near Sion Talao, Sion East, Mumbai – 400 022, Maharashtra, India.

As of the date of this Draft Red Herring Prospectus, the shares of Krystal Family Holdings Private Limited are not listed on any stock exchange.

Shareholding pattern

Sr. No.	Shareholders	No. of equity shares	Percentage of shareholding (%)
1.	Neeta Prasad Lad	3,000,000	30.00
2.	Saily Prasad Lad	3,326,465	33.26
3.	Shubham Prasad Lad	3,326,465	33.26
4.	Shoubham Cinevisions Private Limited	347,070	3.47
	Total	**10,000,000**	**100.00**

Promoters of Krystal Family Holdings Private Limited

Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad and Shoubham Cinevisions Private Limited are the promoters of the Corporate Promoter.

Change in control of Krystal Family Holdings Private Limited

There has been no change in the control of the Corporate Promoter in the three years preceding the date of filing of this Draft Red Herring Prospectus.

Board of Directors of Krystal Family Holdings Private Limited

The board of directors of Krystal Family Holdings Private Limited comprises of the following:

1) Neeta Prasad Lad;
2) Saily Prasad Lad; and
3) Shubham Prasad Lad.

For details of the shareholding of directors of Krystal Family Holdings Private Limited in our Company, please see "*Our Management- Shareholding of our Directors in our Company*" on page 223.

Our Company confirms that the permanent account number, bank account number, and company registration number of Krystal Family Holdings Private Limited and the address of the Registrar of Companies, Maharashtra at Mumbai where Krystal Family Holdings Private Limited is registered, will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company; (ii) of the Equity Shares held by them in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them; (iii) of any transactions or business arrangements undertaken by our Company with our Promoters, or their relatives or entities in which our Promoters hold shares, as applicable; (iv) certain loan availed by the Company from Prasad Minesh and loan provided to our Corporate Promoter by the Company as disclosed in "*Other Financial Information—Related Party Transactions*" on page 304 and (v) trademark licensing agreement dated September 19, 2021 between our Company and Prasad Minesh Lad as disclosed in *"History and Certain Corporate Matters — Shareholders' Agreements and Other Agreements"* on page 214. For details regarding the interest of our Promoters in our Company, please see "*Capital Structure*", "*Our Management—Interests of Directors*" and "*Other Financial Information—Related Party Transactions*" on pages 84, 224 and 304, respectively.

Interests of Promoters in property of our Company

Except for the rent paid to Prasad Minesh Lad and Neeta Prasad Lad as stated in "*Other Financial Information – Related Party Transactions"* on page 304 and consideration paid by Prasad Minesh Lad and Neeta Prasad Lad for purchase of Corporate Office on behalf of the Company in terms of agreements June 12, 2014 dated along with deeds of rectification dated July 4, 2019 and March 29, 2019, none of our Promoters have any interest in any property acquired by our Company within the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which such Promoter is interested as a member, in cash or shares or otherwise by any person either to induce them to become or to qualify them as a Director (as applicable) or otherwise for services rendered by them or by such Promoters or such firm or company in connection with the promotion or formation of our Company.

For details of related party transactions entered into by our Company with our Promoters during the financial year immediately preceding the date of this Draft Red Herring Prospectus, please see "*Other Financial Information — Related Party Transactions*" on page 304.

Payment or Benefits to our Promoters or Promoter Group

There has been no payment of benefits to our Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group by the Company, other than the remuneration of ₹ 59.63 million and ₹ 42.59 million paid to Prasad Minesh Lad as Chief Mentor of the Company in Fiscal 2023 and Fiscal 2022, respectively and professional fee of ₹ 1.67 million and ₹ 1.33 million paid to Saily Prasad Lad in Fiscal 2023 and Fiscal 2022, respectively and as stated in "*Other Financial Information—Related Party Transactions*" on page 304.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters or the Promoter Group are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as disclosed in *"History and Certain Corporate Matters — Shareholders' Agreements and Other Agreements"*, *"Our Management"* and "*Other Financial Information —Related Party Transactions*" on pages 214, 216 and 304, respectively.

Material guarantees given by our Promoters to third parties

Other than as disclosed in "*Financial Indebtedness – Guarantee"* on page 308, our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company, on behalf of the Company.

Companies or firms with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus. However, Shubham Prasad Lad has provided resignation for disassociating from M/s. Sitaphal Factory LLP.

Change in the Management and Control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. Pursuant to the board resolution dated September 15, 2023, in terms of SEBI ICDR Regulations, our Board has taken on record Prasad Minesh Lad, Neeta Prasad Lad, Saily Prasad Lad, Shubham Prasad Lad and Krystal Family Holdings Private Limited as the Promoters of the Company**.**

Promoter Group

Individuals forming part of the Promoter Group

In addition to our Individual Promoters, the following individuals form a part of the Promoter Group.

Name of Promoter	Name of relative	Relationship
Prasad Minesh Lad	Neeta Prasad Lad	Spouse of Prasad Minesh Lad
	Saily Prasad Lad	Daughter of Prasad Minesh Lad
	Subham Prasad Lad	Son of Prasad Minesh Lad
	Minesh Keshav Lad	Father of Prasad Minesh Lad
	Shashank Minesh Lad	Brother of Prasad Minesh Lad
	Prathna Minesh Lad	Sister of Prasad Minesh Lad
	Pooja Minesh Lad	Sister of Prasad Minesh Lad
	Seema Bhapse	Spouse's sister of Prasad Minesh Lad
Neeta Prasad Lad	**Name of relative**	**Relationship**
	Prasad Minesh Lad	Spouse of Neeta Prasad Lad
	Saily Prasad Lad	Daughter of Neeta Prasad Lad
	Shubham Prasad Lad	Son of Neeta Prasad Lad
	Minesh Keshav Lad	Father-in-law of Neeta Prasad Lad
	Shashank Minesh Lad	Spouse's Brother of Neeta Prasad Lad
	Prathna Minesh Lad	Spouse's Sister of Neeta Prasad Lad
	Pooja Minesh Lad	Spouse's Sister of Neeta Prasad Lad
	Seema Bhapse	Sister of Neeta Prasad Lad
Saily Prasad Lad	**Name of relative**	**Relationship**
	Prasad Minesh Lad	Father of Saily Prasad Lad
	Neeta Prasad Lad	Mother of Saily Prasad Lad
	Shantanu Santtosh Powlle	Spouse of Saily Prasad Lad
	Shubham Prasad Lad	Brother of Saily Prasad Lad
	Santtosh Bhalchandra Powlle	Father-in-law of Saily Prasad Lad

	Lalitaa Santtosh Powlle	Mother-in-law of Saily Prasad Lad
	Suyyog Santtosh Powlle	Brother-in-law of Saily Prasad Lad
Shubham Prasad Lad	**Name of relative**	**Relationship**
	Prasad Minesh Lad	Father of Shubham Prasad Lad
	Neeta Prasad Lad	Mother of Shubham Prasad Lad
	Saily Prasad Lad	Sister of Shubham Prasad Lad

Entities forming part of the Promoter Group

Other than our Corporate Promoter, the following entities form part of our Promoter Group:

1. Shoubham Cinevisions Private Limited
2. Krystal Aviation Services Private Limited
3. Volksara Techno Solutions Private Limited
4. Blue Knight Capital Private Limited
5. Navagunjara Finance Private Limited
6. Ur Deil Private Limited
7. Krystal Allied Services Private Limited
8. Prasad Lad HUF
9. Suyog Agro and Poultry Products Private Limited
10. Suyog Aquatech Private Limited
11. Millionaire Sports Ventures Private Limited

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on September 15, 2023, group companies of our Company include: (i) companies (*other than the Corporate Promoter and the Subsidiaries*) with which there were related party transactions in accordance with Ind AS 24 as set out in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus; and (ii) other companies considered material by the Board.

Accordingly, in terms of the policy adopted by our Board for determining group companies, as of the date of this Draft Red Herring Prospectus, our Board has identified the following as group companies of our Company (the "**Group Companies**"):

S.no.	Name of the Group Company*
1.	Krystal Allied Services Private Limited
2.	Krystal Aviation Services Private Limited
3.	Navagunjara Finance Private Limited and
4.	Volksara Techno Solutions Private Limited (*Formerly known as Krystal Techno Engineering Services Private Limited*)

**Please note that Mumbai District Central Co-op. Bank Ltd. is registered under the Maharashtra Co-Operative Societies Act, 1960 and therefore. is not considered as a Group Company.*

Navagunjara Finance Private Limited and Krystal Aviation Services Private Limited do not have their own websites. Accordingly, details of certain financial information in relation to these Group Companies for the previous three financial years as prescribed under the SEBI ICDR Regulations, extracted from its respective audited financial statements (as applicable) are available at the website of our Company indicated below ("**Group Company Financial Information**").

Our Company will be providing such links to its website solely to comply with the requirements specified under the SEBI ICDR Regulations. The Group Company Financial Information and other information provided on such website will not constitute a part of the RHP and Prospectus. Such information should not be considered as part of information that any investor should consider purchasing any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Neither our Company nor any of the Lead Manager nor any of the Company's or the Lead Manager's respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented, contained or referred in the Group Company Financial Information or any other information provided on the websites given below.

A. Details of our Group Companies

S. No.	Name	Registered Office Address	Financial Information
1.	Krystal Allied Services Private Limited	15 Krystal House, Dr Mankikar Road Near Sion Talao, Sion East, Mumbai, 400 022, Maharashtra, India	The financial information derived from the audited financial statements of Krystal Allied Services Private Limited as required by the SEBI ICDR Regulations, will be available on https:// krystalallied.com/investor upon filing of the Draft Red Herring Prospectus.
2.	Krystal Aviation Services Private Limited	15A/17 Shivaji Fort Co-Op Hsg. Soc, Duncan Causeway Road, Near Sion Talao, Sion, Mumbai, 400 022, Maharashtra, India	The financial information derived from the audited financial statements of Krystal Aviation Services Private Limited as required by the SEBI ICDR Regulations, will be available on https://krystal-group.com/ investor/ upon filing of the Draft Red Herring Prospectus.

S. No.	Name	Registered Office Address	Financial Information
3.	Navagunjara Finance Private Limited	318, Sector-3-C, Loha Bazar NA Mandi, Govind Garh, Fatehgarh Sahib, 147 301, Punjab, India	The financial information derived from the audited financial statements of Navagunjara Financial Private Limited as required by the SEBI ICDR Regulations, will be available https://krystal-group.com/investor/ upon filing of the Draft Red Herring Prospectus.
4.	Volksara Techno Solutions Private Limited (*Formerly known as Krystal Techno Engineering Services Private Limited*)	15A/17 Shivaji Fort Co-Op Hsg. Soc, Duncan Causeway Road, Near Sion Talao, Sion, Mumbai, 400 022, Maharashtra, India	The financial information derived from the audited financial statements of Volksara Techno Solutions Private Limited as required by the SEBI ICDR Regulations, will be available https:// volksara.com/investor/ upon filing of the Draft Red Herring Prospectus.

Nature and Extent of Interest of Group Companies

In the promotion of the Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired except as otherwise disclosed in "*Other Financial Information — Related Party Transactions*" on page 304.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Companies are interested in any transactions of our Company for the acquisition of land, construction of building or supply of machinery except as otherwise disclosed in "*Other Financial Information —Related Party Transactions*" on page 304.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Except as stated below, there are no business transactions with our Group Companies which impact the financial performance of our Company.

The Smart City Business of our Company has been demerged and transferred to Volksara Techno Solutions Private Limited pursuant to the VTSPL Demerger Scheme. The invoicing of such business has been continued in the Company as per the advice / mandate of the customers on behalf of Volksara Techno Solutions Private Limited. The income / expenses relating to the same have however been transferred to Volksara Techno Solutions Private Limited and hence there is no impact in the books of accounts of our Company. For further details, please see *"History and Certain Corporate Matters - Details regarding Material Acquisition or Divestment of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets, if any, in the Last ten years"* on page 214.

For details of business transactions with our Group Companies, please see "*Other Financial Information— Related Party Transactions*" on page 304.

Common Pursuits

As on the date of DRHP, there are no common pursuits among our Group Companies and our Company or its Subsidiaries. However, some of our Group Companies are authorised by their respective constitutional documents to engage in, the same line of business as that of our Company or its Subsidiaries.

Business and other interests

None of our Group Companies have any business or other interest in our Company except as otherwise disclosed in "*Other Financial Information —Related Party Transactions*" on page 304.

Certain other confirmations

None of the securities of our Group Companies are listed on any stock exchange.

None of our Group Companies have made any public or rights issue in the three immediately preceding years.

Litigation

Our Group Companies are not party to any pending litigation which could have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividends on the Equity Shares will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of our Articles of Association and applicable laws including the Companies Act and SEBI Listing Regulations. Our Company has no formal dividend policy as on the date of the DRHP.

Our ability to pay dividends in the future, if any, will depend on several factors, including but not limited to, our earnings and financial condition, working capital requirements, capital expenditures and restrictive covenants of our financial arrangements. Our Company may also, from time to time, pay interim dividends. There is no guarantee that any dividends will be declared or paid in the future. For details, see "*Risk Factors – We have not paid any dividends in the past and our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, the performance of our acquired businesses, capital expenditures and restrictive covenants of our financing arrangement*" on page 53.

Our Company has not declared and paid any dividends on the Equity Shares in the last three financial years preceding the date of this DRHP. Further, our Company has not declared any dividend from April 1, 2023 and until the date of filing of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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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 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 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 September 27, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus (**“DRHP”**) 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 DRHP 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:

    a) 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;
    b) The ICAI Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c) 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
    d) 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:

    (a) 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.

    (b) 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:

    (a) Auditors' report issued by us dated September 26, 2023on the 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;

(b) Auditors’ report issued by us dated September 26, 2023on 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	**Financial year ended 31 March 2023**	**Financial year ended 31 March 2022**	**Financial year ended 31 March 2021**
Total Assets	243.83	29.90	22.30
Total Income	117.83	88.37	58.49
Net Cash Inflows/(Outflows)	1.09	0.21	(0.01)
Share of Profit/Loss (JV)	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:

(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, 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 financial year ended March 31, 2023;

(b) 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 years ended March 31, 2023, 2022 and 2021 as described in Note 44 to the Restated Consolidated Financial Information;

(c) 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, 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 financial year ended March 31, 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 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 DRHP to be filed with Securities and Exchange Board of India and NSE and BSE relevant stock exchanges 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.

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

Alka Hinge
Partner
Membership No. 104574
UDIN: 2310457BGWFOM6067
Place: Mumbai
Date: September 27, 2023

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

Annexure I
RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	Note	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Assets				
Non-Current Assets				
Property, plant and equipments	3 (a)	782.18	94.71	98.30
Capital work-in-progress	3 (a)	-	600.06	600.06
Right-of-use assets	3 (b)	23.33	14.41	29.93
Intangible assets	4	0.91	1.33	1.43
Financial assets				
(a) Investments	5	28.94	18.54	14.69
(b) Other financial assets	6	399.69	218.96	59.34
Deferred Tax assets (net)	7	74.50	56.00	80.23
Income tax assets (net)	8	69.86	71.08	52.34
Other non-current assets	9	-	80.56	-
Total Non-Current Assets		**1,379.41**	**1,155.65**	**936.33**
Current Assets				
Inventories	10	6.11	58.81	22.43
Financial Assets				
(a) Trade receivables	11	1,496.10	2,411.60	2,002.43
(b) Cash and cash equivalents	12	93.71	4.90	14.55
(c) Bank Balances other than cash and cash equivalents above	13	97.94	228.75	218.17
(d) Loans	14	251.51	18.02	16.94
(e) Other financial assets	15	40.96	24.49	52.96
Income tax assets (net)	16	15.64	63.57	35.76
Other current assets	17	53.30	78.06	85.11
Total Current Assets		**2,055.27**	**2,888.20**	**2,448.37**
Total Assets		**3,434.68**	**4,043.85**	**3,384.70**
Equity and Liabilities				
Equity				
Equity share capital	18	57.62	57.62	57.62
Other equity	19	1,576.50	1,580.93	1,303.13
Total Equity		**1,634.12**	**1,638.55**	**1,360.75**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
(a) Borrowings	20	197.54	288.17	269.32
(b) Lease liabilities	21	16.45	4.37	15.09
Provisions	22	2.67	2.29	2.40
Total Non-Current Liabilities		216.66	294.83	286.81
Current Liabilities				
Financial Liabilities				
(a) Borrowings	23	282.38	437.34	383.79
(b) Lease liabilities	21	9.01	9.71	13.43
(c) Trade payables:				
a) total outstanding dues of micro enterprises and small enterprises	24	0.56	4.89	6.70
b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	157.93	510.08	372.66
(d) Other financial liabilities	25	555.08	597.92	567.59
Other current liabilities	26	450.28	437.34	294.22
Provisions	27	128.66	113.19	98.74
Total current liabilities		**1,583.90**	**2,110.47**	**1,737.14**
Total Liabilities		**1,800.56**	**2,405.30**	**2,023.95**
Total Equity and Liabilities		**3,434.68**	**4,043.85**	**3,384.70**
Basis of preparation, measurement and Significant accounting policies	1-2			

The above statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and the notes to the Restated Consolidated Financial Information in Annexure VII.

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

Alka Hinge
Partner
Membership No. 104574
Place : Mumbai
Date :

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 Dighe
Whole Time Director and CEO
(DIN-02042603)

Barun Dey
Chief Financial Officer

Place : Mumbai
Date :

Stuti Maru
Company Secretary and Compliance Officer

Membership No.: A45257

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

Annexure II
RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Income				
Revenue from operations	**28**	7,076.36	5,526.76	4,712.89
Other income	**29**	33.29	21.81	30.20
Total Income		**7,109.65**	**5,548.57**	**4,743.09**
Expenses				
Cost of material and store and spare consumed	**30**	323.04	242.26	202.30
Employee benefit expense	**31**	5,919.04	4,713.28	3,998.55
Finance costs	**32**	94.92	87.78	90.60
Depreciation and amortisation expense	**33**	46.57	42.95	46.90
Other expenses	**34**	335.93	191.24	310.52
Total Expenses		**6,719.49**	**5,277.51**	**4,648.87**
Restated profit before exceptional items and tax from continuing operations		390.16	271.06	94.22
Exceptional Items		-	-	-
Restated profit before tax from continuing operations		**390.16**	**271.06**	**94.22**
Tax expense:				
Current tax		72.24	44.66	22.29
Deferred tax		(19.79)	18.05	(24.90)
Total Tax Expenses		**52.45**	**62.71**	**(2.61)**
Restated profit for the year from continuing operation after Taxes		337.71	208.35	96.83
Restated profit from discontinued operation before Taxes		46.42	73.36	97.77
Income tax expenses of discontinued operations		-	20.20	28.11
Restated profit from discontinued operation (after taxes)		**46.42**	**53.16**	**69.66**
Restated profit for the year after tax and before share of profit from joint venture		**384.13**	**261.51**	**166.49**
Share of profit of joint venture		0.31	1.23	1.75
Restated profit for the year		**384.44**	**262.74**	**168.24**
Restated other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss		4.52	21.22	8.37
(ii) Deferred tax relating to items that will not be reclassified to profit or loss		(1.29)	(6.17)	(2.89)
		3.23	**15.05**	**5.48**
Restated total Comprehensive Income for the year		**387.67**	**277.80**	**173.72**
Restated profits attributable to :				
Equity holders of the parent		384.44	262.74	168.24
Non-controlling interests		-	-	-
Restated total profit for the year		**384.44**	**262.74**	**168.24**
Restated other comprehensive income attributable to :				
Equity holders of the parent		3.23	15.05	5.48
Non-controlling interests		-	-	-
Restated total of other comprehensive income for the year		**3.23**	**15.05**	**5.48**
Restated total comprehensive income attributable to :				
Equity holders of the parent		387.67	277.80	173.72
Non-controlling interests		-	-	-
Restated total comprehensive income for the year		**387.67**	**277.80**	**173.72**
Restated earnings per equity share (nominal value ₹ 10/- per share)	**35**			
Attributable to Equity holders of the parent:				
(a) Basic (in ₹)		33.33	22.69	14.45
(b) Diluted (in ₹)		33.33	22.69	14.45
Basis of preparation, measurement and Significant accounting policies	1-2			

The above statement should be reaad together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustements to Restated Consolidated Financial Information in Annexure VI and the notes to the Restated Consolidated Financial Information in Annexure VII.

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

Alka Hinge
Partner
Membership No. 104574
Place : Mumbai
Date :

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

Annexure III
RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital (Issued and Subscribed)

Particulars	Amounts
Balance as at 1st April 2020	**57.62**
Changes in equity share capital	-
Balance as at 31st March 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 2020	**8.00**	**1.80**	**1,160.97**	**-**	**1,170.77**
Add: Share of profit in joint venture	-	-	1.42	-	1.42
Less: Adjustments related to transition to Ind AS	-	-	(42.79)	-	(42.79)
Balance as at 1st April 2020	**8.00**	**1.80**	**1,119.60**	**-**	**1,129.40**
Add: Profit for the year ended March 2021	-	-	168.24	-	168.24
Add: Other comprehensive income for the year	-	-	-	5.48	5.48
Balance as at 31st March 2021	**8.00**	**1.80**	**1,287.84**	**5.48**	**1,303.12**
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**	**20.53**	**1,580.91**
Profit for the year ended March 2023	-	-	384.44	-	384.44
Other comprehensive income for the year	-	-	-	3.24	3.24
Less: Balances transferred pursuant to scheme of arrangment (Refer Note 44)	-	-	(392.12)	-	(392.12)
Balance as at 31st March 2023	**8.00**	**1.80**	**1,542.90**	**23.77**	**1,576.47**

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

Alka Hinge
Partner
Membership No. 104574
Place : Mumbai
Date :

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

Annexure IV
RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

Particulars	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
Cash flows from operating activities			
Profit before tax from Continuing Operation	390.47	272.30	95.99
Profit before tax from Discontinuing Operation	46.42	73.36	97.77
Net profit before tax	**436.89**	**345.66**	**193.76**
Depreciation and amortisation	46.57	42.96	46.90
Finance costs	94.91	87.78	90.60
Interest income	(20.77)	(16.71)	(19.42)
Balance Written off	0.03	3.38	25.47
Allowance for expected credit loss	1.23	3.52	99.32
Balance Write Back	(11.50)	(5.57)	(10.55)
Gain / (Loss) on fair valuation of investments	0.00	(0.00)	(0.01)
(Profit) / loss on sale of Assets	-	(0.07)	3.19
Operating Profit before change in working capital	**547.36**	**460.95**	**429.26**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(12.02)	(36.38)	(0.71)
Trade receivables, loans, other fianncial assets and other assets	368.65	(416.07)	(295.91)
Financial and Other Asset	(61.21)	(47.45)	31.92
Trade payables, other fianncial liabilities, other liabilities and provisions	(122.25)	314.62	(35.87)
Provisions	15.84	14.36	26.75
Changes in working capital	**189.01**	**(170.92)**	**(273.82)**
Less : Tax paid	(18.56)	(90.17)	(75.86)
Add: Refund	-	-	-
Cash flows from operating activities	**717.81**	**199.86**	**79.58**
Cash flows from investing activities			
(Purchase) / sales of property, plant and equipments	(36.32)	(103.56)	45.04
Bank deposits (having original maturity of more than 3 years) (net)	(60.64)	(87.22)	117.10
Loan (given) / repaid - related parties and others (net)	(233.49)	(1.07)	(1.70)
(Purchase) / Sales of Investment	(10.41)	(3.78)	(3.80)
Interest received	20.77	16.71	19.42
Cash flows from investing activities	**(320.09)**	**(178.92)**	**176.06**
Cash flows from financing activities			
Proceeds from/(repayments of) Long-term Borrowings	(44.61)	18.84	(21.06)
Proceeds from/(repayments of) Short-term borrowings	(154.96)	53.55	(142.67)
Payment of lease liabilities	(16.93)	(17.58)	(15.67)
Interest payment	(92.42)	(85.40)	(88.32)
Cash flows from financing activities	**(308.92)**	**(30.59)**	**(267.72)**
Net changes in cash and cash equivalents	**88.80**	**(9.64)**	**(12.07)**
Cash and cash equivalents as at the beginning of the year (refer note 12)	4.91	14.55	26.63
Cash and cash equivalents as at the end of the year	**93.71**	**4.90**	**14.55**
Components of cash and cash equivalents (refer note 12)			
Cash on hand	1.20	1.10	1.07
Balances with banks	92.51	3.80	13.48
Cash and cash equivalents as per consolidated statement of cash flows	**93.71**	**4.90**	**14.55**
			-

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

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

Alka Hinge
Partner
Membership No. 104574
Place : Mumbai
Date :

Neeta Lad
Managing Director
(DIN-01122234)

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

Barun Dey
Chief Financial Officer

Place : Mumbai
Date :

Stuti Maru

Company Secretary and Compliance Officer
Membership No.: A45257

Annexure V

SIGNIFICANT ACCOUNTING POLICIES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

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, collective 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 25000 professionally 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, 2022 (the "Order"), which became effective from 1st April'2020 has approved the Scheme of Arrangement ("the Scheme") between the Company ("Demerged Company") and VOLKSARA TECHNO SOLUTION PVT LIMITED (VTSPL) ("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 30, 2021 for Demerger of IT enabled unit of the Demerged company situated at 15A/17, Shivaji Fort Co-op HSG. Soc., Duncun Causeway Road, Near Sion Talao, Sion, Mumbai 400022 (Collectively referred to as "Demerged Undertakings") from Demerged Company into Resulting Company with effect from Appointed Date i.e. July 19, 2022. The profit related to said business is disclosed as profit from discontinued business in the Statement of Profit and Loss.

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

A Basis for Preparation

The restated consolidated Financial information of the Group comprise the Restated Consolidated Statement of Assets and Liabilities as at 31st March 2023, 31st March 2022 and 31st March 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended 31st March 2023, 31st March 2022 and 31st March 2021, the summary of significant accounting policies and explanatory notes (collectively "the Restated Consolidated Financial Information")

These Restated Consolidated Financial Information have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Draft Red Herring Prospectus in connection with the proposed initial public offering of equity shares of face value of ₹ 10 each of the Holding Company comprising a fresh issue and offer for sale by way of initial public offer, 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; and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").
(d) E-mail dated 28th 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 (hereinafter referred to as the "the SEBI e-mail").

These restated consolidated financial information 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 emended) 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 statement 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 and as such the Restated Consolidated Financial Information has been compiled by the management of the Group from the Audited Consolidated Financial Statements of the Holding Company prepared under Ind AS for the year ended 31 March 2023. The special purpose financial statement for the year ending on 31 March 2021 were also prepared and approved by the Management of Holding Company as per Ind AS to compile in these Restated Consolidated Financial Information.

Since these are the first Restated Consolidated Financial Information 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, 2020 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 45.

The consolidated Ind AS financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency and all amounts have been rounded off to the nearest 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 restated consolidated financial information incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as disclosed hereinbelow. 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 until 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 all entities 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 interest:

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 access to the returns associated with the ownership interest. In case NCI still have present access to returns associated with the underlying ownership interest, then the Group has 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 put liability is accounted through consolidated statement of profit and loss account.

Change 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.

Interests 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 until the date on which significant influence or joint control ceases. The Group's investment in equity accounted investees includes goodwill/capital reserve 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 its associate or joint venture. Dividends are recognised when the right to receive payment is established.

The details of subsidiaries consolidated in these Restated Consolidated Financial Information are as given below:

Particulars	Country of Domicile	Holding as at		
		31st March 2023	31st March 2022	31st March 2021
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 JV is accounted for using equity method as prescribed in relevant Indian Accounting Standard.

D Significant Accounting Policies

1 Use of estimates and judgements

The preparation of the restated consolidated financial information 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 is based on value in use, which is 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 restated consolidated financial information 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 assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost.

v. **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation.

vi. **Property, plant and equipment:** Useful life of asset.

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 analyzing 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 nonfinancial 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.

A liability is current when:
1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.
Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Category	Useful Life
Building	30 Years
Plant & Machinery	3 - 10 Years
Furniture & Fixtures	3 - 10 Years
Servers & Networks	6 Years
Vehicles	8 Years
Computer Peripherals	3 Years
Leasehold Improvements	Over the lease term

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'.

5 Intangible Assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods, estimated useful lives and residual value

Intangible assets are amortised in statement of Profit and Loss over their estimated useful lives based on underlying contracts where applicable. The useful life so determined are as follows:

Assets	Amortisation
Computer Software	3 Years

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at 1 April 2020 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 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.

As the date of commencement of the lease, the Group recognizes 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 recognizes 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 recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payment 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 amortized 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 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 Note 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 recognized 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 equivalent 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 instrument.

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.

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, a 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 ventures
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 assets 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.

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 on 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/ loss 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

inancial 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 Off-setting 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 contract is recognized 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 the past events, when no reliable estimate is possible;
3. A possible obligation arising from the 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 rates and tax laws enacted or substantively enacted, at the reporting date in the country 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 corresponding carrying amounts for the 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 comprises 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 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 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 Group's contracts may include variable consideration including discounts and penalties which are reduced from revenues and recognised based on an estimate of the expected payout relating to these considerations.

Revenue from manpower services is recognised over time since 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 Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligorand 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 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 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. All the grants related 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.

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 Calender Year and not Financial Year. In House employees can not 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 increases this entitlement. The obligation is determined by management assesment of amount payable at each balance sheet date. In case of, on site employees, the compensated advances are part of there Compensation Package and the same is provided to them on demand/at the time of Full and Final Settlement.

Accumulated compensated absences, considering the nature, 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 obligationto pay further contributions if the fund does not hold sufficient assets to pay all 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 plan is recognised as expense during the period when the employee provides service.

D Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the 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 Life Insurance Corporation of India (LIC). The present value of gratuity obligation under such defined benefitplan is determined based on actuarial valuations carried out by an external actuary using the Projected Unit Credit Method. The Group recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Actuarial gains or losses are recognised in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead, net interest recognised 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 remeasurement 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) arenot 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.

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. Manapower 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-curr ncy denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the reporting date.

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

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

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

Assets and disposal groups are classified as held for sale if their carrying 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 : 006711N / N500028

Alka Hinge
Partner
Membership No. 104574
Place : Mumbai
Date :

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

Annexure VI
STATEMENTS OF ADJUSTMENTS TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

As stated in Note No. 2 A, the Restated Consolidated Financial Information has been compiled by the management of the Group from the Audited Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31 March 2023, and Audited Special Purpose Ind AS Consolidated Financial Statements for the year ended on 31 March 2021. The Statutory Financial statements of the respective entities of the Group upto the Financial year ended 31 March 2022 were prepared and presented in accordance with the Indian GAAP.

Reconciliations between the Restated Consolidated Financial Information and Statutory Financial Statements of the respective entities are as set out in the following tables and notes.

A. Reconciliation between the restated consolidated financial information and statutory financial statements of the Group

1. Reconciliation of the Total Equity

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
Total equity (shareholders' funds) under previous GAAP		16,728.10	13,982.56
Ind AS Adjustments	Refer Note 44 of Annexure VII	(918.76)	(951.17)
Total equity as per Ind AS		**15,809.34**	**13,031.39**
Audit qualifications		-	-
Other restatemend adjustments		-	-
Total equity as per Restated Consolidated Statements of assets and liabilities		**15,809.34**	**13,031.39**

2. Reconciliation of Total Comprehensive Income

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
Profit for the year reported under previous GAAP		2,745.55	2,274.86
Ind AS Adjustments	Refer Note 44 of Annexure VII	(118.11)	(592.28)
Total comprehensive income under Ind AS		**2,627.44**	**1,682.58**
Audit qualifications		-	-
Other restatemend adjustments		-	-
Total equity as per Restated Consolidated Statements of assets and liabilities		**2,627.44**	**1,682.58**

Material re-grouping
Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Group for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the SEBI ICDR Regulations, as amended.

Non-Adjusting Events

a) Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated summary statements are as follows:
1) There are no audit qualification in the auditor's report on the Special Purpose Consolidated Ind AS Financial Statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.
2) Other matter reported in our audit report of Ind As Consolidated Financial Statement for year ended on 31 March 2023, not requiring adjustment to restated consolidated financial information:
"We did not audit the financial statements of one subsidiary and one joint ventures 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:

Particulars	31st March 2023	31st March 2022
Total Assets	243.83	29.90
Total Income	117.83	88.37
Net Cash Inflows/(Outflows)	1.09	0.21
Share of Profit/Loss (JV)	0.31	1.23

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

2) Other matter reported in our audit report of Special Purpose Ind As Consolidated Financial Statement for year ended on 31 March 2021 not requiring adjustment to restated consolidated financial information:

i. "We did not audit the financial statements of one subsidiary and one joint ventures 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:

Particulars	31st March 2021
Total Assets	22.30
Total Income	58.49
Net Cash Inflows/(Outflows)	(0.01)
Share of Profit/Loss (JV)	1.75

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

ii. Without modifying our opinion, we draw attention to Note 2 A to these Special Purpose Consolidated Ind AS Financial Statements, which describes the basis of preparation. The financial statements are prepared solely to assist the Holding Company to meet the requirements of preparation of the Restated Consolidated Financial Information for the years ended 31 March 2021 as required under the SEBI ICDR Regulations. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for another purpose. Our report is intended solely for the Holding Company for use in connection with the above purpose and should not be distributed to or used by parties without our prior written consent.

Qualifications in Auditors' Report, which do not require any corrective adjustments in theRestated consolidated Financial Information.
There are no audit qualifications in the auditor's report for the years ended 31st March 2022, 31st March 2021 and 31st March 2020 respectively.

Emphasis of Matter (EOM) in Auditors' Report which do not require any corrective adjustments in the Restated consolidated Financial Information:
There are no Emphasis of matter in the auditor's report for the years ended 31st March 2022, 31st March 2021 and 31st March 2020 respectively.

Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated consolidated Financial Information
Statements/comments included in the Companies (Auditor's Report) Order, 2020/the Companies (Auditor's Report) Order, 2016, which do not require any corrective In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2020/ the Companies (Auditor's Report) Order, 2016 (together "the CARO") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the financial statements as at and for the financial years ended 31st March 2022 31st March 2021 and 31st March 2020 respectively. Certain statements/comments included in the CARO in the consolidated financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the consolidated financial statements presented.

For the year ended 31st March 2022
Clause vii (a) of CARO 2020 Order

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, income-tax, Goods and Service tax, cess and Professional Tax and other statutory dues, as applicable, with the appropriate authorities except delay in certain cases. There are no dues payable outstanding as on 31st March 2022 for a period of more than six months from the date they became payable except ₹ 65.4 million in respect of ESIC, PF etc. The same is pending mainly on account of KYC compliance and government website not allowing to generate Challan. The company is following up with labours to update KYC for payment of pending dues.

Clause vii (b) of CARO 2020 Order
According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Service tax, Duty of customs, Goods and service tax, duty of excise and value added tax as at 31st March 2022, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Amount in ₹ million	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	39.79	2017-18	CIT
Provident Fund	Provident Fund	8.53	2014-15	Tribunal Court
Provident Fund	Provident Fund	55.41	2015-16	Tribunal Court
Goods and Service Tax Act	Service Tax	6.37	2013-14	Additional Commissioner, CGST & CE

For the year ended 31st March 2021
Clause vii (a) of CARO 2016 Order
According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, income-tax, Wealth Tax, Goods and Service tax, cess and Entertainment Tax and other statutory dues, as applicable, with the appropriate authorities except delay in certain cases. There are no dues payable outstanding as on 31st March 2021 for a period of more than six months from the date they became payable except ₹ 88 million in respect of ESIC, PF etc. Out of the same, ₹ 43.6 million has already been deposited by the company, the balance amount ₹ 44.4 million is pending mainly on account of KYC compliance and Government website not allowing to generate Challan. The Company is following up with the appropriate authorities.

Clause vii (b) of CARO 2016 Order

According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax and Goods and Service Tax as at 31st March 2021, which have not been deposited with appropriate authorities on account of any dispute except for following:

Name of the statute	Nature of the dues	Amount in ₹ million	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	39.79	2017-18	CIT
The Income Tax Act, 1961	Income Tax	1.75	2018-19	CIT
Provident Fund	Provident Fund	8.53	2014-15	Tribunal Court
Provident Fund	Provident Fund	55.41	2015-16	Tribunal Court
Goods and Service Tax Act	Service Tax	6.37	2013-14	Additional Commissioner, CGST & CE

For the year ended 31st March 2020
Clause (vii) (a) of paragraph 3 of CARO 2016 order:

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, income-tax, Wealth Tax, Goods and Service tax, cess and Entertainment Tax and any other statutory dues, as applicable, with the appropriate authorities except delay in certain cases. There are no dues payable outstanding as on 31st March 2020 for a period of more than six months from the date they became payable except ₹ 12.9 million in respect of ESIC, PF etc. Company is following up with the ESIC authority for deposit of dues.

Clause vii (b) of CARO 2016 Order

Name of the statute	Nature of the dues	Amount in ₹ million	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	39.79	2017-18	CIT
The Income Tax Act, 1961	Income Tax	1.75	2018-19	CIT
Provident Fund	Provident Fund	8.53	2014-15	Tribunal Court
Provident Fund	Provident Fund	55.41	2015-16	Tribunal Court

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

Alka Hinge
Partner
Membership No. 104574
Place : Mumbai
Date :

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

Annexure VII
Notes to restated financial statements for the year ended 31st March 2023
Note 3 (a) : Property, Plant and Equipment and Capital work-in-progress

ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	As at 01st April 2022	Additions during the year	Deductions* / Transfers	As at 31st March 2023	Upto 01st April 2022	For the year: On Opening Balance	For the year: On Addition: Addition	For the year: On Addition: Deletion*	Total upto 31st March 2023	As at 31st March 2023	As at 31st March 2022
Tangible assets											
Building	2.89	641.40	-	644.29	1.42	5.67	0.34	-	7.42	636.86	1.47
Plant & Machinery	213.10	26.93	0.06	239.97	156.44	16.95	1.30	0.01	174.68	65.28	56.66
Furniture & Fixture	21.41	36.65	0.11	57.95	17.36	1.80	0.55	0.01	19.70	38.25	4.05
Vehicles	47.20	3.54	-	50.74	18.60	4.95	0.03	-	23.58	27.16	28.60
Computers	39.63	5.51	0.14	45.00	35.86	2.47	0.54	0.03	38.84	6.16	3.77
Leasehold Improvements	-	3.22	-	3.22	-	-	0.15	-	0.15	3.07	-
Office Equipment	1.58	5.58	-	7.16	1.41	0.35	-	-	1.76	5.40	0.17
Total of Tangible assets	**325.81**	**722.82**	**0.31**	**1,048.34**	**231.10**	**32.20**	**2.91**	**0.04**	**266.14**	**782.18**	**94.71**
Captial work-in-Progress (Office Premises)	600.06	-	600.06	-	-	-	-	-	-	-	600.06
Total of Capital work-in-progress	**600.06**	**-**	**600.06**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**600.06**

**Deduction pursuant to transfer of assets as per Scheme of arrangement (Refer note 42)*

ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	As at 01st April 2021	Additions during the year	Deductions	As at 31st March 2022	Upto 01st April 2021	For the year: On Opening Balance	For the year: On Addition: Addition	For the year: On Addition: Deletion	Total upto 31st March 2022	As at 31st March 2022	As at 31st March 2021
Tangible assets											
Plant & Machinery	206.15	7.56	0.61	213.10	139.78	16.37	0.82	0.53	156.44	56.65	66.37
Furniture & Fixture	19.53	1.88	-	21.41	16.58	0.77	0.01	-	17.36	4.05	2.96
Vehicles	35.28	11.92	-	47.20	14.61	3.72	0.27	-	18.60	28.60	20.67
Computers	39.11	0.52	-	39.63	32.41	3.35	0.10	-	35.86	3.77	6.70
Building	2.89	-	-	2.89	1.34	0.07	-	-	1.41	1.48	1.55
Office Equipment	1.40	0.18	-	1.58	1.34	0.08	-	-	1.42	0.16	0.06
Total of Tangible assets	**304.36**	**22.06**	**0.61**	**325.81**	**206.06**	**24.36**	**1.20**	**0.53**	**231.09**	**94.71**	**98.30**
Captial 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**

ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	As at 01st April 2020	Additions during the year	Deductions	As at 31st March 2021	Upto 01st April 2020	For the year: On Opening Balance	For the year: On Addition: Addition	For the year: On Addition: Deletion	Total upto 31st March 2021	As at 31st March 2021	As at 31st March 2020
Tangible assets											
Plant & Machinery	205.04	28.06	26.95	206.15	136.05	20.29	2.21	18.77	139.78	66.37	68.99
Furniture & Fixture	19.47	0.07	-	19.53	15.78	0.79	0.00	-	16.58	2.96	3.70
Vehicles	31.08	5.08	0.88	35.28	11.98	3.14	0.37	0.88	14.61	20.67	19.10
Computers	34.26	4.85	-	39.11	28.38	3.19	0.84	-	32.41	6.70	5.88
Building	2.89	-	-	2.89	1.27	0.07	-	-	1.34	1.55	1.62
Office Equipment	1.40	-	-	1.40	1.16	0.18	-	-	1.34	0.06	0.24
Total of Tangible assets	**294.14**	**38.06**	**27.83**	**304.36**	**194.62**	**27.66**	**3.42**	**19.65**	**206.06**	**98.30**	**99.53**
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 on secured loans. Refer note 20 and 23
2. The title deeds of all the immoveable properties (other than properties where the Company is the lesee 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-Progess 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 Years	Total
Project in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Projects 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 Years	Total
Project in progress	-	-	-	600.06	600.06
Projects temporarily suspended	-	-	-	-	-
Projects suspended	-	-	-	-	-

Particulars	Amount in CWIP for the period of 31st March 21				
	Less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Years	Total
Project in progress	-	-	-	600.06	600.06
Projects temporarily suspended	-	-	-	-	-
Projects suspended	-	-	-	-	-

Note 3 (b): Right-of-use Assets

Description	Building	Total Right-of-use Asset
Cost as at 1st April 2020 (A)	**20.00**	**20.00**
Additions	24.52	24.52
Deletions	-	-
Cost as at 31st March 2021 (B)	**44.52**	**44.52**
Additions	0.74	0.74
Deletions	-	-
Cost as at 31st March 2022 (C)	**45.26**	**45.26**
Additions	25.82	25.82
Deletions	-	-
Cost as at 31st March 2023 (D)	**71.08**	**71.08**
Accumulated depreciation as at 1st April 2020 (E)	**9.59**	**9.59**
Depreciation for the year	4.99	4.99
Deletions	-	-
Accumulated depreciation as at 31st March 2021 (F)	**14.58**	**14.58**
Depreciation for the year	16.26	16.26
Deletions	-	-
Accumulated depreciation as at 31st March 2022 (G)	**30.85**	30.85
Depreciation for the year	11.75	11.75
Deletions		-
Accumulated depreciation as at 31st March 2023 (H)	**42.60**	**42.60**
Net carrying amount as at 31st March 2021 (B) - (F)	**29.93**	**29.93**
Net carrying amount as at 31st March 2022 (C) - (G)	**14.41**	**14.41**
Net carrying amount as at 31st March 2023 (D) - (H)	**28.48**	**28.48**

Note 4: Other Intangible Assets

Description	Computer Software	Total
Cost as at 1st April 2020 (A)	**7.36**	**7.36**
Additions	0.53	0.53
Deletions	-	-
Cost as at 31st March 2021 (B)	**7.89**	**7.89**
Additions	1.10	1.10
Deletions	-	-
Cost as at 31st March 2022 (C)	**8.99**	**8.99**
Additions	0.33	0.33
Deletions	(0.02)	(0.02)
Cost as at 31st March 2023 (D)	**9.30**	**9.30**
Accumulated amortisation as at 1st April 2020 (E)	**5.18**	**5.18**
Amortisation for the year	1.28	1.28
Deletions	-	-
Accumulated amortisation as at 31st March 2021 (F)	**6.46**	**6.46**
Amortisation for the year	1.20	1.20
Deletions	-	-
Accumulated amortisation as at 31st March 2022 (G)	7.66	7.66
Amortisation for the year	0.73	0.73
Deletions	(0.01)	(0.01)
Accumulated amortisation as at 31st March 2023 (H)	**8.39**	**8.39**
Net carrying amount as at 31st March 2021 (B) - (F)	**1.43**	**1.43**
Net carrying amount as at 31st March 2022 (C) - (G)	**1.33**	**1.33**
Net carrying amount as at 31st March 2023 (D) - (H)	**0.91**	**0.91**

(All Amounts are ₹ in Millions unless otherwise stated)

5 Investments

Particulars	31st March 2023	31st March 2022	31st March 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), (8265), (2400) shares of Mumbai District Central Co-operative Bank Ltd of ₹ 1000 each*	13.87	11.13	8.27
70,371 units of Reliance Liquid Funds - Direct - Growth Plan	-	-	0.23
0.309 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	**28.94**	**18.54**	**14.69**
Aggregate amount of quoted investments and market value thereof	0.00	0.00	0.23
Aggregate amount of unquoted investments	28.94	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 opearations 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 liabilty in this ragard.

6 Other Financial Assets

Particulars	31st March 2023	31st March 2022	31st March 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	31st March 2021
On difference between book balance and tax balance of property, plant and equipment and intangible assets	11.86	16.44	12.24
On disallowances	63.18	39.97	68.37
Others	(0.54)	(0.41)	(0.38)
Total	**74.50**	**56.00**	**80.23**

8 Income tax assets (net) - Non-current

Particulars	31st March 2023	31st March 2022	31st March 2021
Advance Income Tax & TDS (Net of Provision)	69.86	71.08	52.34
Total	**69.86**	**71.08**	**52.34**

9 Other Non-current Assets

Particulars	31st March 2023	31st March 2022	31st March 2021
Capital advances (Unsecured, Considered good)	-	80.56	-
Total	**-**	**80.56**	**-**

10 Inventories

Particulars	31st March 2023	31st March 2022	31st March 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	31st March 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)	**1,496.10**	**2,411.60**	**2,002.43**
Trade receivables includes :			
- Dues from related parties (refer note 36)	31.24	30.32	15.00
- Other receivables	1,464.86	2,381.28	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						**1,496.10**

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	1,739.75
(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						**2,411.60**

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	1,280.15	102.70	162.67	10.71	-	1,556.24
(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**

12 Cash and Cash Equivalents

Particulars	31st March 2023	31st March 2022	31st March 2021
In current account with Banks	92.51	3.80	13.48
Cash on hand	1.20	1.10	1.07
Total	**93.71**	**4.90**	**14.55**

13 Bank Balances other than Cash and Cash Equivalents above

Particulars	31st March 2023	31st March 2022	31st March 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	6.82	7.01
Total	**97.94**	**228.75**	**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	31st March 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	31st March 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	31st March 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	31st March 2021
Advances to Supplier	13.02	41.11	67.95
Receivable from government authority	0.03	0.03	0.03
Prepaid expenses	40.25	36.92	17.13
Total	**53.30**	**78.06**	**85.11**

(All Amounts are ₹ in Millions unless otherwise stated)

18 Equity Share capital

Particulars	31st March 2023	31st March 2022	31st March 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		31st March 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	57,62,200	57.62	57,62,200	57.62	57,62,200	57.62
Add : Issued of Equity Shares during the year	-	-	-	-	-	-
Equity Shares outstanding as at the end of the year	**57,62,200**	**57.62**	**57,62,200**	**57.62**	**57,62,200**	**57.62**

(ii) Shares held by holding company/promoter

Name of the shareholder (promoter)	31st March 2023		31st March 2022		31st March 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Krystal Family Holding Private Limited (promoter)	57,62,200	57.62	57,62,200	57.62	57,62,200	57.62
	57,62,200	**57.62**	**57,62,200**	**57.62**	**57,62,200**	**57.62**

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

Name of the shareholder	31st March 2023		31st March 2022		31st March 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Krystal Family Holding Private Limited	57,62,200	100%	57,62,200	100%	57,62,200	100%
	57,62,200	**100%**	**57,62,200**	**100%**	**57,62,200**	**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 25th 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.

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

19 Other Equity

Particulars	Amount
(a) Securities Premium Reserve	
As at 1st April 2020	8.00
Increase/Decrease	-
As at 31st March 2021	8.00
Increase/Decrease	-
As at 31st March 2022	8.00
Increase/Decrease	-
As at 31st March 2023	**8.00**
(b) Retained Earnings	
As at 1st April 2020	1,160.97
Add: Share of profit in joint venture	1.42
Less: Adjustments related to transition to Ind AS	(42.79)
As at 1st April 2020	1,119.60
Add: Profit for the year	168.26
Less: Other comprehensive income	5.47
As at 31st March 2021	**1,293.33**
Add: Profit for the year	262.74
Less: Other comprehensive income	15.05
As at 31st March 2022	**1,571.12**
Add: Profit for the year	384.44
Less: Other comprehensive income	3.24
Less: Balances transferred pursuant to scheme of arrangment (Refer Note 44)	(392.12)
As at 31st March 2023	**1,566.68**
Capital Reserve on consolidation	**1.80**
	1.80

Brief description of other equity:

a. Securities Premium: This reserve represents amounts received in addition to the par value of shares. The utilisation of the securities premium will be in accordance with the provisions of The Companies Act, 2013.

b. Retained Earnings: This Reserve represents the cumulative profits of the company. This reserve is free reserves and can be utilised for any purpose as may be required. All Adjustments arising on account of transition to Ind AS are recorded under this reserve.

20 Borrowings - Non-current*

Particulars	31st March 2023	31st March 2022	31st March 2021
Secured			
From Banks			
Vehicle Loans	20.53	23.81	17.77
Covid Emergency Funding	-	3.07	28.05
Loan from Related Party			
Loan against Property (Mumbai District Central Co-operative Bank Ltd)	150.14	186.29	218.32
Covid Emergency Funding (Mumbai District Central Co-operative Bank Ltd)	-	12.63	25.27
From Others			
Term Loans from financial Institutions	5.60	219.26	12.46
Total secured borrowings	**176.27**	**445.06**	**301.87**
Unsecured			
Loan from related party			
Navagunjara Finance Pvt.Ltd. (NBFC)	98.87	-	-
Loan From Promoters/Directors	-	33.79	44.36
Intercorporate Deposit	-	-	-
Total unsecured borrowings	**98.87**	**33.79**	**44.36**
Less: Current maturities of long term loans (refer table below)	(77.60)	(190.68)	(76.91)
Total	**197.54**	**288.17**	**269.32**

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

Breakup of current maturities of long term borrowings

Particulars	31st March 2023	31st March 2022	31st March 2021
Secured			
From Banks	51.91	55.21	72.08
From Others	25.69	135.47	4.83
Total	**77.60**	**190.68**	**76.91**

SECURED
(i) Nature of Security
(a) Vehicle loans from banks are secured against specific charge on the respective vehicle
(b) Loan For Property are secured against charge on the Kohinoor Property.
(c) Term loans from financial institutions are secured against Hypothecation of machinery purchased out of TCFSL Fund.

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

Rate of Interest (in %)	Maturity Date
8.21	10-Aug-25
8.75	15-Aug-23
8.95	15-Dec-23
8.35	07-Aug-25
8.35	05-Sep-25
8.35	05-Sep-25
7.40	07-Sep-26
7.40	09-Feb-29
9.05	23-Feb-30

(b) Loan against Property are repayable in 7 years in monthly instalments as per the sanction letter, Maturity is due in March-25. The rate of interest is 11% p.a.
(c) Term Loan from Financial Instituition: Loan against Equipments are repayable in 3 years in monthly instalments, with 3 months moratorium, as per the sanction letter, Maturity is due in September 2023. The rate of interest is 12% p.a.

UNSECURED
(a) Term Loan from NBFC are repayable in 36 months, Maturity date is April-25. The rate of Interest is 10 % p.a.

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

21 Lease Liabilities

Particulars	31st March 2023	31st March 2022	31st March 2021
Lease liabilities (Refer note 39)	25.46	14.08	28.52
Total	**25.46**	**14.08**	**28.52**
Current	9.01	9.71	13.43
Non-current	16.45	4.37	15.09

22 Provisions

Particulars	31st March 2023	31st March 2022	31st March 2021
Provision for employee benefits			
Provision for Gratuity	2.67	2.29	2.40
Total	**2.67**	**2.29**	**2.40**

23 Borrowings - Current

Particulars	31st March 2023	31st March 2022	31st March 2021
Secured			
From Banks			
Cash Credit (Refer note (i) below)	70.29	221.11	135.30
From Related Party			
Cash Credit (Mumbai District Central Co-operative Bank Ltd) (Refer note (i) below)	112.20	23.43	166.00
Others			
Working capital loan	20.09	-	-
Unsecured			
Loan Others	2.20	2.00	5.49
Current Maturities of long term debt:			
From Bank	6.91	10.66	29.57
From Related Party (MDCB Bank)	45.00	44.67	42.50
From Others	25.69	135.47	4.93
Total	**282.38**	**437.34**	**383.79**

Note

Nature of Security

(i) Pari Pasu first charge by way of hypothecation of company's present and future book debts, receivable etc., equitable mortgage of certain immovable properties of promoters and Personal guarantee of Mr. Prasad Lad, Mrs. Neeta Lad, Miss. Saily Lad and Mr. Shubham Lad.

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

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

FY 2022-23

Name of banks	Quarter Ended	Particulars	Disclosed as per Statement	As per Books of Accounts	Difference	Reason for Material Variances
MDCB Bank	Q1 - 30th June 2022	Inventory	2.79	2.79	0%	
State Bank of India		Trade Payable	281.96	265.49	6%	
Union Bank of India		Trade Receivable	2,549.46	2,514.67	1%	Note 1
MDCB Bank	Q2 - 30th Sept 2022	Inventory	3.89	3.89	0%	
State Bank of India		Trade Payable	202.18	199.57	1%	
Union Bank of India		Trade Receivable	1,964.00	1,961.51	0%	Note 1
Union Bank of India	Q3 - 31st Dec 2022	Inventory	3.27	3.27	0%	
		Trade Payable	185.16	203.70	-9%	
		Trade Receivable	2,024.20	2,022.88	0%	Note 1
Union Bank of India	Q4 - 31st Mar 2023	Inventory	4.95	4.95	0%	
		Trade Payable	237.22	129.34	83%	
		Trade Receivable	1,731.32	1,621.28	7%	Note 2

Note 1

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

Note 2

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

FY 2021-22

Name of banks	Quarter Ended	Particulars	Disclosed as per Statement	As per Books of Accounts	Difference	Reason for Material Variances
MDCB Bank	Q1 - 30th June 2021	Inventory	98.22	98.22	0%	
State Bank of India		Trade Payable	269.73	278.97	-3%	
Union Bank of India		Trade Receivable	2,293.93	2,258.23	2%	Note 1
MDCB Bank	Q2 - 30th Sept 2021	Inventory	190.24	190.24	0%	
State Bank of India		Trade Payable	229.23	332.09	-31%	
Union Bank of India		Trade Receivable	2,197.54	2,192.50	0%	Note 1
MDCB Bank	Q3 - 31st Dec 2021	Inventory	330.16	330.16	0%	
State Bank of India		Trade Payable	411.48	378.70	9%	
Union Bank of India		Trade Receivable	2,328.49	2,315.43	1%	Note 1
MDCB Bank	Q4 - 31st Mar 2022	Inventory	58.36	58.36	0%	
State Bank of India		Trade Payable	428.56	442.08	-3%	
Union Bank of India		Trade Receivable	2,432.13	2,528.86	-4%	Note 2

Note 1

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

Note 2

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

FY 2020-21

Name of banks	Quarter Ended	Particulars	Disclosed as per Statement	As per Books of Accounts	Difference	Reason for Material Variances
MDCB Bank	Q1 - 30th June 2020	Inventory	13.99	13.99	0%	
State Bank of India		Trade Payable	399.50	451.42	-12%	
Union Bank of India		Trade Receivable	2,006.45	1,970.37	2%	Note 1
MDCB Bank	Q2 - 30th Sept 2020	Inventory	20.35	20.35	0%	
State Bank of India		Trade Payable	329.20	337.49	-2%	
Union Bank of India		Trade Receivable	1,961.79	1,972.17	-1%	Note 1
MDCB Bank	Q3 - 31st Dec 2020	Inventory	33.93	33.93	0%	
State Bank of India		Trade Payable	275.40	263.89	4%	
Union Bank of India		Trade Receivable	2,019.47	2,012.24	0%	Note 1
MDCB Bank	Q4 - 31st Mar 2021	Inventory	4.64	22.24	-79%	
State Bank of India		Trade Payable	319.47	311.75	2%	
Union Bank of India		Trade Receivable	1,864.94	2,147.85	-13%	Note 2

Note 1

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

Note 2

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

24 Trade Payables

Particulars	31st March 2023	31st March 2022	31st March 2021
Total outstanding dues of micro enterprises and small enterprises	#	#	#
Total outstanding dues of creditors other than micro enterprises and small enterprises	#	#	#
Total	**158.49**	**514.97**	**379.36**

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

Particulars	31st March 2023	31st March 2022	31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*			
- Principal amount due to micro and small enterprises	0.56	3.71	5.77
- Interest due to Micro, Small And Medium Enterprises	0.05	0.04	0.09
- The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006.	-	-	-
- The amount of Interest accrued and remaining unpaid at the end of each accounting period.	0.05	0.04	0.09
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	0.82	0.78	0.74

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

Trade Payables Ageing

FY 2022-23

Category	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.56	-	-	-	0.56
(ii) Others	124.22	20.87	9.96	2.89	157.93
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**124.79**	**20.87**	**9.96**	**2.89**	**158.49**

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	4.89	-	-	-	4.89
(ii) Others	439.65	57.48	2.85	10.10	510.08
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**444.54**	**57.48**	**2.85**	**10.10**	**514.97**

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	6.70	-	-	-	6.70
(ii) Others	322.32	38.65	5.66	6.04	372.66
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**329.02**	**38.65**	**5.66**	**6.04**	**379.36**

25 Other Financial Liabilities

Particulars	31st March 2023	31st March 2022	31st March 2021
Security Deposits	47.18	38.01	12.65
Outstanding Liabilities	468.68	559.91	554.94
Other payables pursuant to scheme of arrangement (Refer note 44)*	39.22	-	-
Total	**555.08**	**597.92**	**567.59**

**Payable to VTSPL due to demerger*

26 Other Current Liabilities

Particulars	31st March 2023	31st March 2022	31st March 2021
Advance from customer	1.51	19.88	3.77
Statutory liabilities	447.82	416.64	289.81
Income tax payables	0.95	0.82	0.64
Total	**450.28**	**437.34**	**294.22**

27 Provisions

Particulars	31st March 2023	31st March 2022	31st March 2021
Provision for employee benefits			
Provision for Gratuity	42.42	32.52	30.87
Provision for compensated absences	86.25	80.67	67.87
Total	**128.66**	**113.19**	**98.74**

(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 (refer note 38)	6,981.55	5,478.71	4,678.31
Catering Services	94.81	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	14.89	13.16	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	11.50	5.57	10.55
Income Tax Refund	0.05	0.02	-
Gain on fair valuation of investments carried at FVTPL	-	0.00	0.01
Miscellaneous income	1.48	0.08	0.60
Total	**33.29**	**21.81**	**30.20**

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	76.08
Interest on lease liabilities	2.49	2.39	2.28
Other borrowing costs	10.87	0.29	12.24
Total	**94.92**	**87.78**	**90.60**

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	14.58
Amortisation of intangible assets (refer note 4)	0.73	1.20	1.28
Total	**46.57**	**42.95**	**46.90**

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	2.07	2.52	0.83
Power and fuel	15.19	11.53	14.08
Rent (refer note 38)	10.93	3.78	5.22
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)	23.62	6.00	5.34
Expected Credit Loss on Trade Receviables (net)	1.23	3.52	99.32
Conveyance expenses	4.88	4.40	2.86
Communication Expenses	4.39	3.84	3.59
Postage and Courier	1.05	1.03	0.92
Balance Write off	0.03	3.38	25.47
Tender Expenses	2.08	2.39	0.79
Printing and stationery	3.37	2.01	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	12.69	1.02
Loss on fair valuation of investments carried at FVTPL	0.00	-	-
Ineligible GST Expenses	43.73	29.91	35.08
Interest on Late Payment of GST	34.67	5.64	0.00
Interest on Late Payment of TDS	5.81	3.20	0.04
Interest & Damages on ESIC	11.45	2.24	3.26
Interest & Damages on PF	25.91	0.02	-
Miscellaneous Expenses	20.63	9.87	26.68
Total	**335.93**	**191.24**	**310.52**

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	0.10
- 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	6.50	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 37	-	-	-

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to restated financial statements for the year ended 31st March 2023

Note 35
Earnings per equity share
Basic earning per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

Particulars	31st March 2023	31st March 2022	31st March 2021
i. Profit attributable to Equity holders			
Profit attributable to equity holders :			
Profit attributable to equity holders for basic earnings	384.13	261.51	166.49
Profit attributable to equity holders adjusted for the effect of dilution	384.13	261.51	166.49
ii. Weighted average number of ordinary shares			
Issued ordinary shares as at	57,62,200	57,62,200	57,62,200
Weighted average number of shares at March 31 for EPS	**57,62,200**	**57,62,200**	**57,62,200**
Basic and diluted earnings per share			
Basic earnings per share	33.33	22.69	14.45
Diluted earnings per share*	33.33	22.69	14.45

*After considering proposed issue of bonus share, refer note 53.

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to restated financial statements for the year ended 31st March 2023

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 (31st March 2022 ₹ 460 Millions and 31st 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:

Particulars	**31st March 2023**	**31st March 2022**	**31st March 2021**
Fair value of plan asset	10.46	17.75	17.00
Present value of obligations	-55.54	-52.56	-50.26
Asset / (Liability) recognised in Balance Sheet	**-45.08**	**-34.81**	**-33.26**
Non-current	2.67	2.28	2.40
Current	42.42	32.52	30.86

B. Movement in net defined benefit liability

		Defined benefit obligation		
		31st March 2023	**31st March 2022**	**31st March 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**

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
31st March 2021	0.06	0.12	0.38	0.49	0.45	1.60

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

Note 36 : Employee benefit expense

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	31st March 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 interest ir	-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 averages).

	31st March 2023	31st March 2022	31st March 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 Lives Mortality

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		31st March 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

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.

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to restated financial statements for the year ended 31st March 2023

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**	**31st March 2021**
Flame Facilities Private Limited	India	100%	100%	100%
Krystal Gourmet Private Limited	India	100%	100%	100%
BVG Krystal Joint Venture	India	49%	49%	49%
Krystal-Aquachem JV	India	97%	97%	97%

Enterprises over which Key Management Personnel and their relatives execise significant infulances or control with whom transaction have been entered during the year
Krystal Aviation Services Private Limited
UR Deil Private Limited
Volksara Techno Solutions Private Limited (Formarly : Krystal Techno Engineering services Private Limited)
Krystal Allied Services Private Limited
Navagunjara Financial Pvt Ltd
Shoubham Cine Vision Private Limited
Healthlog Services and Applications
Healthlog & Care Services LLP
Mumbai District Central Co-operative Bank Ltd.

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

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

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to restated financial statements for the year ended 31st March 2023

Note 37 : Related Party Disclosure (Contd.)

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

Sr. No	Particulars	31st March 2023	31st March 2022	31st March 2021
1	**Sale of Service**			
	- Volksara Techno Solutions Private Limited	-	5.46	-
	- Krystal Allied Services Private Limited	26.51	13.99	0.64
	- Krystal Aviation Services Private Limited	9.88	-	-
	- Krystal-Aquachem 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**			
	- Volksara Techno Solutions Private Limited (Formarly : Krystal Techno Engineering services Private Limited)	-	8.24	17.55
	- Krystal Family Holding Private Limited	0.56	1.13	0.86
	- Saily Lad	1.67	1.33	1.33
4	**Site expenses**			
	- Volksara Techno Solutions Private Limited (Formarly : 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. (Overdraft 1)	9.27	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 (Formarly : Krystal Techno Engineering services Private Limited)	-	-	0.05
10	**Remuneration**			
	- Prasad Minesh Lad	59.63	42.59	41.99
	- 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	4.95	1.90	1.80
	- Surekha Lad	2.26	1.81	1.78
	- Shalini Agrawal	0.35	0.32	0.24
11	**Loan Given**			
	- Krystal Allied Services Private Limited	32.59	-	0.20
12	**Loan Received back**			
	- Krystal Allied Services Private Limited	-	-	0.20
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	-
	- Mumbai District Central Co-operative Bank Ltd.	-	-	-
	- 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	0.39
	- Mumbai Disctrict Co-operative Bank(Overdraft-1)-Sanctioned Amount- 160 millions	(5.28)	(21.92)	50.00
	- Mumbai Disctrict Co-operative Bank(Overdraft-2)-Sanctioned Amount- 120 millions	117.48	45.36	116.00
	- Mumbai Disctrict Co-operative Bank(Covid Funding)-Sanctioned Amount- 25 millions	-	12.63	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-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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(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

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

The Group is engaged into manpower, catering and related services. 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**	**31st March 2021**
Integrated Facility Management Services*	4,272.98	3,230.91	3,348.13
Staffing and Payroll Management	1,784.11	1,474.94	718.40
Private Security and Mangaurding	924.46	772.86	611.78
Catering Service	94.81	48.05	34.58
Total	**7,076.36**	**5,526.76**	**4,712.89**

** SITC Included in Integrated Facility Management Services*

Sales by performance obligations

Particulars	**Manpower and related Service**		
	31st March 2023	**31st March 2022**	**31st March 2021**
Revenue by time of recognition			
At a point in time	193.71	111.11	78.32
Over the period of time	6,882.65	5,415.65	4,634.57
Total Revenue	**7,076.36**	**5,526.76**	**4,712.89**
Revenue by geographical market			
India*	7,076.36	5,526.76	4,712.89
	7,076.36	**5,526.76**	**4,712.90**

**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**	**31st March 2021**
Billed	736.44	1,607.87	1,407.52
Unbilled	759.67	803.73	594.91
Total	**1,496.11**	**2,411.60**	**2,002.43**

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

Particulars	**31st March 2023**	**31st March 2022**	**31st March 2021**
Balance as at the beginning of the year	**803.73**	**594.91**	**221.17**
Add: Revenue recognised during the year	675.23	442.22	483.45
Less: Invoiced during the year	(718.88)	(233.39)	(109.96)
Less : Loss allowance recognised during the year	(0.41)	(0.01)	0.25
Balance as at the end of the year	**759.67**	**803.73**	**594.91**

Reconciliation of revenue from contract with customer

Particulars	**Manpower and related Service**		
	31st March 2023	**31st March 2022**	**31st March 2021**
Revenue from contract with customer as per the contract price	7,076.36	5,526.76	4,712.89
Adjustments made to contract price on account of :-			
a) Discounts / Rebates / Incentives	-	-	-
b) Sales Returns / Credits / Reversals	-	-	-
Revenue from contract with customer	**7,076.36**	**5,526.76**	**4,712.89**

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.

<u>Movements in Contract liabilities</u>

Particulars	**31st March 2023**	**31st March 2022**	**31st March 2021**
Opening contract liabilities	19.88	3.77	5.54
Less: amount recognised in revenue	(19.35)	(3.34)	(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)

Notes to restated financial statements for the year ended 31st March 2023

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	31st March 2021
	Building		
Opening Gross Block	**45.26**	**44.52**	**20.00**
Addition	25.82	0.74	24.52
Deletion	(6.16)	-	-
Closing Gross Block	**64.92**	**45.26**	**44.52**
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**	**14.42**	**29.94**

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

Lease Liability

Particulars	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
	Building		
Opening Balance	**14.08**	**28.52**	**17.40**
Addition	24.52	0.74	24.52
Interest Cost accrued during the year	2.49	2.39	2.28
Lease liability payment	(9.46)	(17.57)	(15.67)
Deletion			
Closing Balance	**31.62**	**14.08**	**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	31st March 2021
Not later than one year	9.01	9.71	13.43
Later than one year and not later than five years	17.05	5.67	15.68
Later than five years	-	-	-

(All Amounts are ₹ in Millions unless otherwise stated)

Notes to restated financial statements for the year ended 31st March 2023

Note 40 : Tax expense

(a) Amounts recognised in profit and loss

	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
Current income tax	72.24	64.86	50.40
Changes in tax estimates of prior years	-	-	-
Deferred income tax liability / (asset), net			
Origination and reversal of temporary differences	(27.06)	25.79	(24.90)
Change in tax rate	7.27	(7.73)	-
Deferred tax expense	(19.79)	18.05	(24.90)
Tax expense for the year	**52.45**	**82.91**	**25.50**

(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	4.52	(1.29)	3.23	21.22	(6.17)	15.05
	4.52	**(1.29)**	**3.23**	**21.22**	**(6.17)**	**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)	15.05	8.37	(2.89)	5.46
	21.22	**(6.17)**	**15.05**	**8.37**	**(2.89)**	**5.46**

(c) Reconciliation of effective tax rate

	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
Profit before tax	**436.57**	**344.42**	**192.01**
Statutory income tax rate			
Tax using the Company's domestic tax rate	152.19	100.25	55.79
Tax effect of:			
Non-deductible tax expenses	226.49	330.27	481.35
80JJA Tax (utilised) / incentive	(414.47)	(436.17)	(302.61)
Others	88.25	88.57	(209.03)
	52.45	**82.91**	**25.50**
Effective Rate of Income Tax	**12.01%**	**24.07%**	**13.28%**

(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	16.43	(4.58)	-	11.85	11.85
Security deposits	(0.35)	(0.24)	-	(0.59)	(0.59)
Compensated absences, gratuity and equity valuation	(11.87)	24.25	(1.29)	11.10	11.10
Trade receivables	51.83	0.26	-	52.09	52.09
Other current liabilities & borrowings	(0.05)	0.11	-	0.06	0.06
Tax assets (Liabilities)	**56.00**	**19.79**	**(1.29)**	**74.50**	**74.50**

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(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

(e) Movement in deferred tax balances

	Net balance 1st April 2021	Recognised in profit or loss	Recognised in OCI	31st March 2022	
				Net	Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	12.22	4.21	-	16.43	16.43
Security deposits	(0.20)	(0.15)	-	(0.35)	(0.35)
Compensated absences, gratuity and other benefits	5.49	(11.19)	(6.17)	(11.87)	(11.87)
Trade receivables	62.88	(11.05)	-	51.83	51.83
Other current liabilities & borrowings	(0.17)	0.12	-	(0.05)	(0.05)
Tax assets (Liabilities)	**80.22**	**(18.06)**	**(6.17)**	**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	Deferred tax asset/(Deferred tax liability)
Deferred tax asset					
Property, plant and equipment	16.22	(4.00)	-	12.22	12.22
Security deposits	-	(0.20)	-	(0.20)	(0.20)
Compensated absences, gratuity and equity valuation	10.20	(1.82)	(2.89)	5.49	5.49
Trade receivables	32.06	30.82	-	62.88	62.88
Other current liabilities & borrowings	(0.27)	0.10	-	(0.17)	(0.17)
Tax assets (Liabilities)	**58.21**	**24.90**	**(2.89)**	**80.22**	**80.22**

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 :	31 March 2023	31 March 2022	31 March 2021
Expiry date 31/3/2023	-	-	

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

(All Amounts are ₹ in Millions unless otherwise stated)

Notes to restated financial statements for the year ended 31st March 2023

Note 41 : Disclosures on Financial Instrument

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	-	-	191.65	191.65	-	-	191.65	191.65
Investments	-	-	28.94	28.94	-	-	28.94	28.94
Non-current financial Assets	-	-	399.69	399.69	-	-	399.69	399.69
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	-	-	197.54	197.54	-	-	197.54	197.54
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
	-	**-**	**1,218.95**	**1,218.95**	**-**	**-**	**1,218.95**	**1,218.95**

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	-	-	233.65	233.65	-	-	233.65	233.65
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
	-	**-**	**3,144.21**	**3,144.21**	**-**	**-**	**3,144.21**	**3,144.21**
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	-	-	14.08	14.08	-	-	14.08	14.08
Trade payables	-	-	514.97	514.97	-	-	514.97	514.97
Other financial liabilities	-	-	597.92	597.92	-	-	597.92	597.92
	-	**-**	**1,852.47**	**1,852.47**	**-**	**-**	**1,852.47**	**1,852.47**

31st March 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	-	-	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	-	-	112.30	112.30	-	-	112.30	112.30
	-	**-**	**2,438.43**	**2,438.43**	**-**	**-**	**2,438.43**	**2,438.43**
Financial liabilities								
Non Current Borrowings	-	-	269.33	269.33	-	-	269.33	269.33
Current borrowings	-	-	383.79	383.79	-	-	383.79	383.79
Lease Liabilities	-	-	28.52	28.52	-	-	28.52	28.52
Trade payables	-	-	379.37	379.37	-	-	379.37	379.37
Other financial liabilities	-	-	567.59	567.59	-	-	567.59	567.59
	-	**-**	**1,628.60**	**1,628.60**	**-**	**-**	**1,628.60**	**1,628.60**

B. Measurement of fair values (Key inputs for valuation techniques) :

1. Listed Equity Investments (other than Subsidiaries and Joint Venture) : Quoted Bid Price on Stock Exchange (Level 1)
2. Valuation techniques and significant unobservable inputs: Not applicable (Level 3)

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

C. Transfers between Levels 1 and 2
There were no transfer 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
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 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**	**31st March 2021**
India	1,496.10	2,411.60	2,002.43
Other regions*	-	-	-
	1,496.10	2,411.61	2,002.44

Management believes that the unimpaired amounts that are past dues 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	31st March 2021
Opening balance	157.48	163.14	74.26
Provision for receivables impairment	0.89	(5.66)	88.88
Closing balance	158.37	157.48	163.14

(All Amounts are ₹ in Millions unless otherwise stated)

Note 41 : Disclosures on Financial Instrument
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 deals are done with AD category banks in OTC market and registered brokers in ETCD 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	197.54	-	197.54	-	-
Current borrowings	282.37	282.37	-	-	-
Lease Liabilities	25.46	16.45	9.01	-	-
Trade payables	158.50	158.50	-	-	-
Other financial liabilities	555.08	555.08	-	-	-

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	288.16	-	288.16	-	-
Current borrowings	437.34	437.34	-	-	-
Lease Liabilities	14.08	9.71	4.37	-	-
Trade payables	514.97	514.97	-	-	-
Other financial liabilities	597.92	597.92	-	-	-

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	269.33	-	269.33	-	-
Current borrowings	383.79	383.79	-	-	-
Lease Liabilities	28.52	13.43	15.09	-	-
Trade payables	379.37	379.37	-	-	-
Other financial liabilities	567.59	567.59	-	-	-

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.

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
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Notes to restated financial statements for the year ended 31st March 2023

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	31st March 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.

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)
31st March 2021		
Variable-rate instruments	3.49	(3.49)
Cash flow sensitivity (net)	3.49	(3.49)

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

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 31st March 2021 was as follows.

	31st March 2023	**31st March 2022**	**31st March 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 (31 March 22 : ₹ 330 Millions and 31 March 2021 ₹ 105 Millions).

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Notes to restated financial statements for the year ended 31st March 2023

Note 43 : Segment Reporting
The Company is required to disclose segment information based on the 'management approach' as defined in Ind AS 108 - Operating Segments, which in 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 segment:
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 organized 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	263.35	59.70	323.05
Employee benefit expenses	5,893.33	25.70	5,919.03
Finance costs	94.80	0.10	94.91
Depreciation and amortization expenses	43.44	3.13	46.57
Other expenses	313.11	22.82	335.93
Total Expenses	**6,608.03**	**111.45**	**6,719.48**
Profit before tax	**399.07**	**(8.90)**	**390.16**
Other Information			
Total Carrying amount of asset	3,299.30	135.38	
Total Carrying amount of liability	1,683.57	116.99	

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	21.82
Total Revenue	**5,497.28**	**51.30**	**5,548.58**
Expenses			
Material consumed	206.85	35.41	242.26
Employee benefit expenses	4,700.83	12.45	4,713.28
Finance costs	87.75	0.03	87.78
Depreciation and amortization expenses	42.45	0.51	42.96
Other expenses	180.00	11.25	191.25
Total Expenses	**5,217.88**	**59.65**	**5,277.53**
Profit before tax	**279.40**	**(8.35)**	**271.05**
Other Information			
Total Carrying amount of asset	3,876.42	167.43	
Total Carrying amount of liability	2,255.18	150.11	

C) Operating segment information for the period from 1st April 2020 to 31st March 2021 is as follows: (by Business Segments)

Particulars	Manpower and related Service	Catering Service	Consolidated for year ended 31st March 2021
Income			
Revenue from operations	4,678.31	34.58	4,712.89
Other income	28.12	2.09	30.21
Total Revenue	**4,706.43**	**36.67**	**4,743.10**
Expenses			
Material consumed	182.23	20.07	202.30
Employee benefit expenses	3,984.38	14.17	3,998.55
Finance costs	90.57	0.03	90.60
Depreciation and amortization expenses	46.38	0.52	46.90
Other expenses	304.84	5.67	310.50
Total Expenses	**4,608.40**	**40.46**	**4,648.86**
Profit before tax	**98.03**	**(3.80)**	**94.24**
Other Information			
Total Carrying amount of asset	3,261.25	123.45	
Total Carrying amount of liability	1,917.32	106.61	

B) 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 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 ₹ 392.11 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 44).

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 DBOL.

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 19th Jul 2022**	**As at 31st Mar 2022**	**As at 31st Mar 2021**	**As at 31st Mar 2020**
Non-current assets				
Property, Plant and Equipments				
Property, Plant and Equipment	0.22	0.23	0.19	0.05
Intangible assets	0.01	0.01	0.02	-
Financial Assets				
(a) Other financial assets	10.99	3.81	(6.56)	13.12
Total non-current assets	**11.22**	**4.05**	**(6.35)**	**13.17**
Current assets				
Inventories	64.73	55.15	18.20	17.75
Financial Assets				
(a) Trade receivables	420.00	617.67	362.12	497.37
(b) Other financial assets	78.95	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	46.01	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	106.31	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**	**324.84**
Net Assets	**392.13**	**360.92**	**292.55**	**222.87**

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 on the Appointed date i.e April 01,2020.

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 in the Company (Demerged Business) in trustee capacity as per the advice / 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

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

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	**31st March 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**	**350.72**
Profit / (loss) before exceptional items and tax	**73.35**	**97.78**
Exceptional items	-	-
Profit / (loss) before tax	**73.35**	**97.78**
Tax expense:		
Current tax	20.20	28.11
Deferred tax	-	-
Total Tax Expenses	**20.20**	**28.11**
Profit for the year	**53.15**	**69.67**

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

Note - 45
First-time Ind AS adoption reconciliations

Reconciliation of total equity as at 31st March 2022, 31st March 2021 and 1st April 2020 and profit or loss for the year ended 31st March 2022 and 31st March 2021:

Particulars	Note No.	Total comprehensive income reconciliation for the year ended		Equity reconciliation as at		
		31st March 2022	31st March 2021	31st March 2022	31st March 2021	1st April 2020
Net profit / equity as per previous GAAP		**274.55**	**227.49**	**1,672.81**	**1,398.26**	**1,170.77**
IndAS Adjustments:						
Expected Credit Loss	a	16.84	(83.98)	(131.88)	(148.71)	(64.74)
Lease Liability	b	(1.08)	(1.20)	(3.00)	(1.92)	(0.72)
Finance Income	c	0.63	0.59	1.22	0.59	-
Loan processing fees / transaction costs	d	(0.33)	(0.28)	0.18	0.51	0.79
Deferred Tax	e	(14.04)	29.35	37.19	51.23	21.88
Impact on account of investment carried at FVTPL		(0.01)	0.01	-	0.01	0.00
Profit from JV		1.23	1.75	4.40	3.17	1.42
Total		**3.24**	**(53.76)**	**(91.89)**	**(95.12)**	**(41.37)**
Net profit / Equity for the year as per Ind AS		**277.79**	**173.73**	**1,580.92**	**1,303.14**	**1,129.40**
Other comprehensive income (net of tax)	f	(15.05)	(5.47)	-	-	-
Net profit before OCI / Other equity as per Ind AS		**262.74**	**168.26**	**1,580.92**	**1,303.14**	**1,129.40**

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 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).

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

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

	31st March 2023	31st March 2022	31st March 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 million) 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	31st March 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 restated financial statements for the year ended 31st March 2023

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%	1,604.15	99%	382.06	78%	2.51	99%	384.56
Subsidiaries								
Flame Facilities Private Limited	0%	5.06	0%	1.16	14%	0.47	0%	1.63
Krystal Gourmet Private Limited	2%	38.87	1%	3.77	8%	0.27	1%	4.03
Total		**1,634.12**		**384.44**		**3.23**		**387.67**

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	99%	1,611.70	68%	260.21	459%	14.80	71%	275.01
Subsidiaries								
Flame Facilities Private Limited	0%	3.43	0%	0.79	9%	0.30	0%	1.08
Krystal Gourmet Private Limited	2%	34.83	0%	0.51	-1%	(0.04)	0%	0.47
Total		**1,638.55**		**262.74**		**15.05**		**277.80**

31st March 2021

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	82%	1,336.69	43%	163.98	169%	5.47	44%	169.44
Subsidiaries								
Flame Facilities Private Limited	0%	2.34	0%	0.25	-1%	(0.05)	0%	0.21
Krystal Gourmet Private Limited	2%	34.36	1%	2.28	2%	0.05	1%	2.33
Total		**1,360.75**		**168.24**		**5.48**		**173.72**

Krystal Integrated Services Limited (Formerly Krystal Integrated Services Private Limited)
(All Amounts are ₹ in Millions unless otherwise stated)
Notes to restated financial statements for the year ended 31st March 2023

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 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 - 50
In the opinion of the management, the current asset, 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 - 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 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 - 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 Hinge
Partner
Membership No. 104574
Place: Mumbai
Date :

For and on behalf of the Board of Directors of
Krystal Integrated Services Limited
(Formerly Krystal Integrated Services Private Limited)
CIN-U74920MH2000PTC129827

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
Membership No.: A45257

Place: Mumbai
Date :

(All Amounts are ₹ in Millions unless otherwise stated)

Note - 52
Ratio analysis and its elements

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

	Particulars	31st March 2023	31st March 2022	31st March 2021
A	Current Assets	2,055.27	2,888.20	2,448.36
B	Current Liabilities	1,583.91	2,110.48	1,737.12
	Ratio (A/B)	1.30	1.37	1.41
	% change from previous year	**-5.18%**	**-2.90%**	

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

	Particulars	31st March 2023	31st March 2022	31st March 2021
A	Total Debt*	505.38	739.58	681.64
B	Total Equity	1,634.12	1,638.56	1,360.76
	Ratio (A/B)	0.31	0.45	0.50
	% change from previous year	**-31.48%**	**-9.89%**	

* 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 comparitively 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	31st March 2021
A	Earnings available for debt services	531.49	432.21	282.61
B	Total interest and principal repayments*	189.44	296.03	183.17
	Ratio (A/B)	2.81	1.46	1.54
	% change from previous year	**92.16%**	**-5.37%**	

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

Reason for change more than 25%:
Finance cost inceased due to increase in bank guarantee commision 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	31st March 2021
A	Profit after tax (attributable to owners)	384.44	262.74	168.26
B	Average net worth	1,658.48	1,512.66	1,276.63
	Ratio (A/B)	23.18%	17.37%	13.18%
	% change from previous year	**33.45%**	**31.79%**	

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	31st March 2021
A	Cost of Material Consumed	323.05	242.26	202.30
B	Average Inventory	32.46	40.62	22.08
	Ratio (A/B)	9.95	5.96	9.16
	% change from previous year	**66.87%**	**-34.92%**	

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 divdied by Average Trade Receivables

	Particulars	31st March 2023	31st March 2022	31st March 2021
A	Revenue from operation	7,076.36	5,526.76	4,712.89
B	Average trade receivables	1,953.85	2,207.02	1,916.87
	Ratio (A/B)	3.62	2.50	2.46
	% change from previous year	**44.63%**	**1.85%**	

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	31st March 2021
A	Cost of material consumed	323.05	242.26	202.30
B	Average trade payable	336.74	447.17	488.29
	Ratio (A/B)	0.96	0.54	0.41
	% change from previous year	**77.08%**	**30.76%**	

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	31st March 2021
A	Revenue from operation	7,076.36	5,526.76	4,712.89
B	Current assets	2,055.27	2,888.20	2,448.36
C	Current liabilities	1,583.91	2,110.48	1,737.12
D	Net working capital (D = B - C)	471.37	777.73	711.25
E	Average working capital	624.55	744.49	567.36
	Ratio (A/E)	11.33	7.42	8.31
	% change from previous year	**52.63%**	**-10.63%**	

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	31st March 2021
A	Profit after tax	384.44	262.74	168.26
B	Revenue from operation	7,076.36	5,526.76	4,712.89
	Ratio (A/B)	5.43%	4.75%	3.57%
	% change from previous year	**14.28%**	**33.16%**	

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

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

	Particulars	31st March 2023	31st March 2022	31st March 2021
A	Tangible Net Worth*	1,582.48	1,601.76	1,284.58
B	Long term debt**	213.99	292.53	284.42
C	Total capital employed (C = A + B)	1,796.47	1,894.29	1,569.00
D	Average capital employed	1,845.38	1,731.65	1,496.19
E	EBIT	531.80	433.44	284.36
	Ratio (E/D)	28.82%	25.03%	19.01%
	% change from previous year	**15.13%**	**31.70%**	

* 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 adjusment owing to Expected credit loss on Trade Receivables.

(xi) Return on Investment

	Particulars	31st March 2023	31st March 2022	31st March 2021
A	Profit on sale / FV of investments	-	0.00	0.01
B	Value of investments	0.00	0.00	0.23
C	**Average Investments**	**0.00**	**0.11**	**0.22**
	Ratio (A/C)	0.00%	0.23%	6.04%
	% change from previous year	**-100.00%**	**-96.17%**	

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.

Other Financial Information
The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations aregiven below.

S. No.	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
1	Restated earnings per Equity Shares - Basic (in ₹)	33.33	22.69	14.45
2	Restated earnings per Equity Shares - Diluted (in ₹)	33.33	22.69	14.45
3	Return on Net Worth (%)	23.53%	16.04%	12.36%
4	Net Asset Value per Equity Share (in ₹)	283.59	284.36	236.15
5	EBITDA	545.09	454.57	301.05

Basic EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / weighted average number of Equity Shares during the year.

Diluted EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of dilutive Equity Shares during the year.

Net Asset Value per Equity Share means net worth attributable to the owners of our Company divided by weighted average number of Equity Shares outstanding at the end of the period/year.

Return on net worth is computed as restated net profit / (loss) after tax attributable to equity holders of our Company divided by restated net worth for equity shareholders of our Company.

The Equity Shares and Basic/Diluted earning per share has been presented to reflect the adjustments for issue of bonus shares in accordance with Ind AS 33-Earning per share.

OTHER FINANCIAL INFORMATION

The accounting ratios of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are provided below:

Particulars	As of and for the financial year ended March 31, 2023	As of and for the financial year ended March 31, 2022	As of and for the financial year ended March 31, 2021
	(in ₹ million unless otherwise stated)		
Restated Earnings per Equity Share (basic) (in ₹)	33.33	22.69	14.45
Restated Earnings per Equity Share (diluted) (in ₹)	33.33	22.69	14.45
Net Asset Value per Equity Share (in ₹)	283.59	284.36	236.15
Return on Net Worth (RoNW)	23.53%	16.04%	12.36%
EBITDA (in ₹ million)	545.09	454.57	301.05

Notes: *The ratios have been computed as follows:*

1) *Restated Earnings Per Share (Basic) = (PAT – Preference Dividend) / W.A. No. of Shares*
2) *Restated Per Share (Diluted) = (PAT – Pref. Dividend) / (W.A. No. of Shares + Diluted Shares)*
3) *Net Asset Value per Equity Share = Net Asset / No. of Shares*
4) *Return on Net Worth = PAT / Total Shareholders' Equity (Net Worth)*
5) *EBITDA = PBT + Interest + Depreciation + Amortisation – Other Income*

a) *Net worth is derived as follows:*

Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
			(in ₹ million)
Equity			
Equity share capital	57.62	57.62	57.62
Other Equity	1,576.50	1,580.93	1,303.13

***Net worth is the aggregate value of paid up share capital including instruments in the nature of equity and all reserves created out of profit, share application money pending allotment, securities premium account and debit or credit balance of profit and loss account, share based payment reserve, money received against share warrants and other reserves after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve, capital redemption reserve, write-back of depreciation and amalgamation as on March 31, 2023; March 31, 2022 and March 31, 2021*.

In accordance with the SEBI ICDR Regulations, the audited consolidated financial statements of our Company and Subsidiaries as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 (collectively, the "**Audited Financial Statements**") will be available on the website of our Company upon filing of the Draft Red Herring Prospectus.

Our Company will be providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon, will not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements, and the reports thereon, should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor the Lead Manager, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' read with SEBI ICDR Regulations, for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, see "*Financial Information — Note 37 — Related Party Disclosure*" on page 283.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, derived from Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 34 and 309, respectively.

(except as otherwise stated, ₹ million)

Particulars	Pre-Offer as of March 31, 2023	As adjusted for the proposed Offer [(1)]
Total Borrowings		
Current Borrowings (A)	282.38	[●]
Non-current borrowings (B)	197.54	[●]
Total Borrowings (C=A+B)	**479.92**	[●]
Total Equity		
Equity share capital[(2)]	57.62	[●]
Instruments entirely equity in nature	-	[●]
Share application money pending allotment	-	[●]
Other equity	1,576.50	[●]
Non-controlling interests	-	[●]
Total Equity (D)	**1,634.12**	[●]
Ratio: Total Borrowings (C) / Total Equity (D)	**0.29**	[●]

Notes:

(1) The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement. To be updated upon finalization of the Offer and the Offer expense.

(2) Subsequent to March 31, 2023, our Company has allotted 5,762,200 Equity Shares on September 27, 2023 pursuant to a bonus issuance.. For further details, please see "Capital Structure" on page 84.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail borrowings in the ordinary course of business and for general corporate purposes. For undertaking necessary activities in relation to the Offer, we have obtained the necessary consents from, and provided intimations to, the requisite lenders in terms of the relevant documentation governing their borrowings. For details of borrowing powers of our Board, please see "*Our Management— Borrowing Powers of our Board*" on page 225.

A brief summary of the financial indebtedness of our Company and our Subsidiaries as of August 31, 2023 is set out below:

(In ₹ million)

Category of borrowing^	Sanctioned Amount as on August 31, 2023^	Outstanding amount as on August 31, 2023^
Secured Borrowings		
Working capital facilities		
- Fund based	745.00	645.26
- Non-fund based	538.50	546.90
Term loans	325.00	170.64
Vehicle loans*	46.50	20.06
Total Secured Borrowings (A)	**1655.00**	**1382.86**
Unsecured Borrowings		
Inter-corporate Loan**	250.00	249.13
Total Unsecured Borrowings (B)	**250.00**	**249.13**
Total (A + B)	**1905.00**	**1631.99**

**Vehicle loan includes loan of Rs. 1.20 million availed by our subsidiary Krystal Gourmet Private Limited*

***Inter-corporate loan includes loan given by our Company to its Subsidiaries Krystal Gourmet Private Limited and Flame Facilities Private Limited of ₹ 20.00 million and ₹ 230.00 million*

^As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.

Principal terms of the borrowings availed by our Company and our Subsidiaries are disclosed below:

1. ***Interest:*** In terms of the facilities availed by our Company and our Subsidiaries, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different facilities. The interest rate for the facilities typically varies from 8.21 % to 13.05% per annum.

2. ***Tenor:*** The tenor of the facilities sanctioned to our Company and our Subsidiaries varies from one type of facility to the other. Typically, the tenor of the term loan facilities availed by us ranges between 12 months to 84 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

    a) create charge by way of hypothecation of stocks, on entire current assets;
    b) create first charge by way of mortgage of immovable property; and
    c) execute personal guarantee(s) in relation to certain borrowings of our Company.

    The above-mentioned lists are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company and our Subsidiaries.

5. ***Pre-payment and premature redemption:*** The terms of certain facilities availed by our Company and our Subsidiaries typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties and such other conditions as laid down in the loan documentations, on giving prior notice or obtaining prior approval from the concerned lender, as the case may be. The prepayment premium for the facilities availed, where specified, is typically charged at the rate of 2 % to 5 % of the amount prepaid or the principal outstanding, often depending on the leftover tenor of the facilities, or at an amount decided at the discretion of such lender.

6. ***Penalty:*** The terms of certain facilities availed by our Company and our Subsidiaries prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any

other breach of covenants or terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically ranges from 1% to 24% per annum on the outstanding loan.

7. ***Restrictive Covenants:*** The facilities contain certain reserved matters, for which prior consent of the lenders is required. An indicative list of such reserved matters is disclosed below:
   a) Formulation of any scheme of amalgamation or reconstruction or merger or demerger.
   b) Investment by way of share capital or loan or advance to or place deposits with any other concern (including group companies).
   c) Issuing any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).
   d) Effecting any change in the Company's capital structure.
   e) Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company, or person.
   f) Create any further charge, lien or encumbrance over the assets and properties of the Company, Guarantors to be charged, charged to the Bank in favour of any other bank, financial institution, firm, or person.

   The details provided above are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by our Company and / or its Subsidiaries.

8. ***Events of default:*** In terms of borrowing arrangements for the facilities availed by our Company, the occurrence of any of the following, among others, constitute an event of default:

   a) Failure to repay on demand any moneys which ought to be paid by the Company including principal, interest, and other moneys.
   b) Committing any breach of any covenant, agreement, undertaking or declaration on part of the Company.
   c) Giving false or misleading information in the borrower's proposals made to the lenders.
   d) If any execution is levied or enforced against any property or assets whatsoever of the Borrower.
   e) If any person, firm, or company takes steps towards applying for or obtaining an order for the appointment of a receiver of any property or assets whatsoever of the Borrower or if such receiver is appointed,
   f) If any person, firm, or company shall apply or obtain an order for the winding up of the Borrower or if any such order is made or if any step is taken by any person, firm or company towards passing any resolution to wind up the Borrower.
   g) Cross default in case of default by the borrower to any other bank under the consortium or by the borrower's associate/sister concern/subsidiary to the lenders.

   The above-mentioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

9. ***Consequences of occurrence of events of default:*** In terms of borrowing arrangement for the facilities availed by our Company, upon the occurrence of events of default, the lenders may:

   a) Appoint their nominee on the Board of Directors of the borrower to look after its interests;
   b) Securitise or novate or assign the assets that have been charged;
   c) Charge additional interest over and above the rate prescribed hereunder for the period during which such default continues;
   d) Sell or otherwise dispose of the hypothecated vehicle for the purpose of realisation of the security and the amount due to the lender;
   e) Enter into or upon any place or premises without any notice where or wherein any of the hypothecated assets/machinery may be or are situated or kept or stored and for the purpose of such entry to do all acts, deeds, or things as are deemed necessary by the lenders;
   f) Inspect, value, insure and/or to take charge of and/or to seize, recover, receive, appoint receivers of and/or take possession of all or any of the hypothecated assets/machinery;
   g) Sell or dispose of either by public auction or tender or private contract all or any part of the hypothecated assets/machinery in such manner as the lender(s) think fit.

   The above-mentioned list is indicative and there may be additional consequences on the occurrence of an event of default under the various borrowing arrangements entered into by our Company and Our Subsidiaries. There have been no past incidents of breach of covenants under loan documentations.

Guarantee

Prasad Minesh Lad, Neeta Prasad Lad, Shubham Prasad Lad and Krystal Family Holdings Private Limited, our Promoters, Krystal Aviation Services Private Limited, our Group Company, and Saily Prasad Lad and Prasad Lad HUF, members of our Promoter Group (collectively, the "**Guarantors**" and each, a "**Guarantor**"), have personally guaranteed the repayment of certain loan facilities availed by the Company. The details of loan facilities and the personal guarantee provided by the Guarantors are as follows:

Name of the Promoter/Promoter Group/Group Company	**Amount of guarantee as on August 31, 2023** (*in ₹ millions*)	**Type of facility**	**Bank in whose favour the guarantee has been provided**
Prasad Minesh Lad, Krystal Family Holding Private Limited and Neeta Prasad Lad	450.00	Working Capital Limit	State Bank of India
Prasad Minesh Lad, Krystal Family Holdings Private Limited, Krystal Aviation Services Private Limited, Shubham Prasad Lad, Prasad Lad HUF, Neeta Prasad Lad and Saily Prasad Lad	500.00	Working Capital Limit	Union Bank of India
Prasad Minesh Lad, Krystal Family Holdings Private Limited, Krystal Aviation Services Private Limited, Prasad Lad HUF, Neeta Prasad Lad, Shubham Prasad Lad and Saily Prasad Lad	25.00	Working Capital Ad Hoc Limit	
Neeta Prasad Lad	280.00	Working Capital Limit	Mumbai District Central Co-Operative Bank Limited
Neeta Prasad Lad	250.00	Term Loan	
Prasad Minesh Lad and Neeta Prasad Lad	35.00	Equipment Loan	Tata Capital Financial Services Limited
Shubham Prasad Lad and Neeta Prasad Lad	20.00	Working Capital Demand Loan	
Shubham Prasad Lad and Neeta Prasad Lad	40.00	Working Capital Term Loan	
Total Guaranteed Amount			**1600.00**

^*As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.*

Each Guarantor has, inter alia guaranteed to the lender's performance by the Guarantors of their respective obligations under the loan documentations and have undertaken to make payments, if such payments are not made by the Company.

For further details of financial and other covenants required to be complied with in relation to our financial arrangements, please see "*Risk Factors – Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, cash flows, results of operations and financial condition*" on page 48.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information which is included in this Draft Red Herring Prospectus. Our Restated Consolidated Financial Information differs in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Accordingly, the degree to which our Restated Consolidated Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 32 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. Also read "Risk Factors" and "– Significant Factors Affecting our Results of Operations" on pages 34 and 310, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023 included herein is derived from our Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 250. Further, unless otherwise indicated or the context otherwise requires, all financial and operational information included herein for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 is on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India" dated September 21, 2023 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited and commissioned and paid for by us and prepared exclusively in connection with the Offer. We officially engaged Frost & Sullivan (India) Private Limited for purposes of commissioning the F&S Report for the Offer pursuant to an engagement letter dated June 26, 2023. The F&S Report is available at the following web-link: https://krystal-group.com/investor/. Frost & Sullivan (India) Private Limited is not related in any manner to our Company or any of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel or the BRLM.*

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

Unless the context otherwise requires, in this section, references to "our Company" and "the Company" refers to Krystal Integrated Services Limited, on a standalone basis, and references to "we", "us" or "our", refers to Krystal Integrated Services Limited, on a consolidated basis.

Overview

We are one of India's leading integrated facilities management services companies, with a focus on healthcare, education, public administration (state government entities, municipal bodies and other government offices), airports, railways and metro infrastructure, and retail sectors (*Source: F&S Report*). We provide a comprehensive range of integrated facility management service offerings across multiple sectors, and consequently are among select companies in India that have a wide geographic presence and customer base, catering to almost all end-user segments, as on March 31, 2023. (*Source: F&S Report*) Our range of service offerings include soft services such as housekeeping, sanitation, landscaping and gardening, hard services such as mechanical, electrical and plumbing services, solid, liquid and biomedical waste management, pest control and façade cleaning and other services such as production support, warehouse management and airport management services (including multi-level parking and airport traffic management). We also provide staffing solutions and payroll management to our customers, as well as private security and manned guarding services and catering services.

Our strengths in the market include our ability to provide bespoke solutions for integrated facility management requirements, sourcing from OEMs at competitive prices due to excellent long-term relations, best-in-class products, and adoption of smart technology. (*Source: F&S Report*) We are a key solutions provider to the government sector and have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. (*Source: F&S Report*) For Fiscals 2021, 2022 and 2023, our revenue from government contracts amounted to ₹3,271.12 million, ₹4,050.85 million and ₹5,212.75 million, respectively, aggregating to 69.41%, 73.30% and 73.66% of our revenue from operations. We provide services to key government customers in the healthcare, education, airport, railways and metro infrastructure sectors, including to Maha Mumbai Metro Operation Corporation Limited and Education Department, Brihanmumbai Municipal Corporation.

We have also built expertise in catering to the healthcare, education, airport, railways and metro infrastructure sectors, due to our extensive experience, understanding the unique requirements and challenges in such sectors. As of March 31, 2023, we provided our services to 134 hospitals and medical colleges, 224 schools and colleges (other than medical colleges), two airports, four railway stations and 10 metro stations, along with catering services on certain trains/ train routes. The following table sets forth information on the revenue generated by providing services to these sectors, for the periods indicated:

Sector	Fiscal 2021		Fiscal 2022		Fiscal 2023		CAGR (Fiscal 2021 to Fiscal 2023
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	
Healthcare	1,609.12	34.14	2,079.43	37.62	2,664.59	37.65	28.68
Education	1,451.09	30.79	1,030.96	18.65	1,454.30	20.55	0.11
Airport, railways and metro infrastructure	362.09	7.68	347.84	6.29	489.21	6.91	16.24

Our wide portfolio of services enables us to design and deliver a range of customized solutions suited to the specific needs of our customers, which bolsters our customer acquisition and retention capabilities. In Fiscals 2021, 2022 and 2023, we served 262, 277 and 326 customers, respectively. In the same period, the number of customer locations serviced by us has grown from 1,962 as on March 31, 2021, to 2,240 as on March 31, 2022 and 2,427 as on March 31, 2023. During Fiscals 2021, 2022 and 2023, we onboarded 76, 70 and 89 new customers, respectively. Our ability to maintain quality standards while expanding our service offerings to meet evolving industry requirements has resulted in longstanding relationships with our key customers. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years. For Fiscal Year 2023, these four customers contributed to 14.55% of our revenue from operations.

As on March 31, 2023, we serviced customer locations in 14 states and one union territory in India. We have also set up 21 branch offices across India, as on March 31, 2023, to expand our geographical reach. Our wide geographic presence enables us to offer services to customers who prefer a single service provider for their operations at multiple locations. We believe that locating our branches in proximity to our customer premises also results in greater focus on, and attention to, our customers as well as higher quality and customized service delivery.

We are led by a well-qualified and experienced management team, which has robust experience in the sectors in which we operate, and which has demonstrated its ability to manage and grow our business. Our revenue from operations was ₹ 4,712.89 million, ₹5,526.76 million and ₹ 7,076.36 million in Fiscals 2021, 2022 and 2023 respectively. Our total profit for the year (after tax) was ₹ 168.24 million, ₹ 262.74 million and ₹ 384.44 million in Fiscals 2021, 2022 and 2023, respectively. Our EBITDA was ₹ 301.05 million, ₹ 454.57 million and ₹ 545.09 million in Fiscals 2021, 2022 and 2023, respectively, and EBITDA Margins (as a percentage of revenue from operations) were 6.39%, 8.22% and 7.70%, respectively. Our ROE in Fiscal 2021, 2022 and 2023 was 13.18%, 17.37% and 23.18%, respectively, and ROCE in the same periods was 19.01%, 25.03% and 28.82%, respectively. Our revenue from operations, total profit for the year (after tax), and EBITDA grew at a CAGR of 22.54%, 51.17% and 34.56%, respectively, from Fiscal 2021 to Fiscal 2023. We are also among the league of the fastest growing integrated facility management companies in India, registering a CAGR of 22.5% in terms of revenue growth during Fiscal 2021 – Fiscal 2023 (*Source: F&S Report*). Further, our financial performance in Fiscal 2022 was better than most of our peers, who had been impacted by COVID-19 (*Source: F&S Report*).

Significant Factors Affecting Our Results of Operations and Financial Condition

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Customer acquisition and customer retention

In Fiscals 2021, 2022 and 2023, we served 262, 277 and 326 customers, respectively. In the same period, the number of customer locations serviced by us has grown from 1,962 as on March 31, 2021, to 2,240 as on March 31, 2022 and 2,427 as on March 31, 2023. During Fiscals 2021, 2022 and 2023, we onboarded 76, 70 and 89 new customers, respectively.

During Fiscals 2021, 2022 and 2023, other than government contracts which are awarded through competitive bidding process, all relevant customers whose contracts were expiring during the respective financial year, either renewed or extended their contracts with us. We believe that our effort to develop a consultative, long-term partnership model of service delivery has enabled us to not only effectively capitalize on such customers' increasing service requirements, but also increase our market share and reduce the revenue and earnings uncertainty associated with the short-term nature of most of our contracts with non-government customers. Further, with respect to government contracts, while a fresh competitive bidding process typically follows expiry of the term, our experience and existing investment on manpower and machinery allow us to bid competitively for such projects. During Fiscals 2021, 2022 and 2023, we were able to successfully extend or renew Nil, 40.00% and 42.86% of our government contracts that were expiring in the respective years.

During Fiscals 2021, 2022, and 2023, we provided integrated facilities management services to 111, 88 and 105 customers, respectively. As part of our staffing solutions and payroll management services, we provide skilled, semi-skilled and unskilled manpower to our customers as per their requirements. During Fiscals 2021, 2022, and 2023, we provided staffing solutions and payroll management services to 58, 81 and 109 customers, respectively. We also provide private security and manned guarding services to our customers, which consists of providing security solutions, including access control, surveillance, emergency services and patrols. During Fiscals 2021, 2022, and 2023, we provided private security and manned guarding services to 109, 97 and 99 customers, respectively. As part of our catering services, we provide catering from our central kitchen. During Fiscals 2021, 2022, and 2023, we provided catering services to 13, 47 and 67 customers, respectively. Our ability to maintain quality standards while consistently expanding our service offerings to meet evolving industry requirements has resulted in longstanding relationships with our key customers. Four of our top 10 customers, based on revenue generated in Fiscal 2023, have been associated with us for longer than 10 years. For Fiscal Year 2023, these four customers contributed to 14.55% of our revenue from operations.

Our customers range across a variety of industries and sectors, including healthcare, education, airport, railway and metro infrastructure, retail, and banking and financial services, which reduces our vulnerabilities to economic cycles. We believe our ability to offer customized facility management services and private security to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers and enables us to target a greater share of their requirements. Our continued relationships with these customers and ability to acquire and onboard new customers plays a significant role in our growth and results of operations. We anticipate that our offerings, the quality thereof and market position in key service segments will help us in increasing our share of business amongst our existing customers as well as increase our customer base. However, a slow-down in demand for these customers' services would likely have an adverse effect on our revenues and results of operations.

Cost and availability of skilled manpower

The services we offer are manpower intensive and we hire a considerable number of personnel every year to sustain our growth. As of March 31, 2023, we employed 31,881 on-site employees across our operations. The following table sets forth certain information on our on-site employees across our various business verticals as of March 31, 2023 and August 31, 2023:

S. No.	Business Vertical	Number of On-Site Employees	
		As on March 31, 2023	As on August 31, 2023
5.	Integrated Facility Management Services	20,161	22,374
6.	Staffing Solutions and Payroll Management	7, 370	5,556
7.	Private Security and Manned guarding	4, 243	11,403
8.	Catering	107	343
Total		31,881	39,676

Additionally, as on March 31, 2023, we also have 306 employees at our offices who help us with the management of our corporate operations and back-end support, which increased to 312 employees as at August 31, 2023. We leverage various channels like print media, digital advertisements, referral programs, job fairs and recruitment drives in rural areas for our recruitment. The decisions in respect of selection and hiring of employees are made solely on the basis of the job requirements and our focus is to recruit applicants who are suitably qualified and trainable for employment. We hire employees on a regular, temporary, contractual and trainee basis and conduct reference checks for all our candidates before appointment, including feedback from the referees where applicable. Our performance parameters and assessment of our employees are tied to a capability analysis of each employee and based on merit and quality of service resulting in an identification of high performing employees. The employee rating is based on various key performance indicators.

We cannot assure you that we will be able to meet our manpower requirements in the future or grow the number of our employees in a consistent manner. Our business operations and financial performance may be adversely affected if we are unable to find sufficient personnel for our businesses. In addition, we must continually evaluate and upgrade our recruiting and training programs to keep pace with changing customer needs and emerging technologies. We may not be able to effectively meet the expectations of our customers due to our failure to identify personnel with the requisite skills, experience or other attributes, and our training programs may not succeed in developing effective skills in a timely manner or at all.

Our employee benefit expenses were ₹ 5,919.04 million, ₹ 4,713.28 million, and ₹ 3,998.55 million for the Fiscals 2023, 2022 and 2021, respectively. We believe that our Company’s growth and work environment combined with our employee satisfaction rate has allowed us to attract talent on a large scale. In addition, the presence of varied profiles available in our organisation coupled with high growth potential facilitates higher retention of employees. However, increases in our employee benefits payment obligations including due to changes in applicable laws, including minimum wage laws, which we are unable to pass on to our customers, in a timely manner, or at all, could have a significant impact on our total expenses and consequently our financial condition. In addition, we rely on our employees to render services at our customers’ premises and in the event our employee relationships deteriorate or if we experience labour unrest, strikes and other labour action, there could be an adverse impact on our delivery of services to customers.

Government policies and general economic factors

We are a key solutions provider to the government sector and have a track record of executing large contracts and are among select companies in India to qualify for and service large, multi-location government projects. (*Source: F&S Report*) For Fiscals 2021, 2022 and 2023, our revenue from government contracts amounted to ₹3,271.12 million, ₹4,050.85 million and ₹5,212.75 million, respectively, aggregating to 69.41%, 73.30% and 73.66% of our revenue from operations. Seven of our top 10 customers, including our largest customer, based on revenue generated for Fiscal 2023, are government entities.

Our future success is also dependent to a large extent on our ability to maintain good relationships with government agencies and associate entities. If our relationship with these entities deteriorate or if we are unable to fulfil our contractual obligations, our contracts may be terminated and these entities may contract with other providers. We are also exposed to the risk of cancellation of the contract and subsequent blacklisting by such agencies in case we fail to provide our services effectively, which would adversely affect our ability to obtain new government contracts in the future. In case we get blacklisted from participating in future tenders issued by government entities, it could adversely impact our business, results of operations, financial condition and prospects.

There can be no assurance that the central or state governments will continue to place emphasis on integrated services, including housekeeping and sanitation. In the event of an adverse change in budgetary allocations for such services resulting from a change in government policies or priorities, our business prospects and our financial performance may be adversely affected. Further, contracts with government institutions and public sector undertakings may be subject to extensive internal processes, policy changes, and insufficiency of funds which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract. Due to these and other factors, certain terms of such contracts, such as pricing terms, contract period, use of sub-contractors and ability to transfer receivables under the contract or make appropriate adjustments as a result of changes in the tax regime, are also less flexible than contracts with private companies. These contracts are not always subject to an automatic extension and renewal of such agreements is typically based on a competitive bidding process, or on mutually acceptable terms. If we are unable to renew such agreements on terms that are commercially viable, there may be a significant impact to our revenue from operations.

Any adverse change in the policies adopted by the government regarding award of its contracts or our existing relationship with the government may adversely affect our ability to win such contracts. To the extent that any of the contracts awarded to us by the government entities are delayed, disrupted or cancelled, or subject to fund reallocation or insufficiency, our cash flows, business, results of operations and financial condition may be adversely affected. Any adverse changes in government policies may lead to our agreements being restructured or renegotiated, which could adversely affect our revenues, cash flows or operations relating to existing contracts as well as our ability to participate in competitive bidding or bilateral negotiations for future contracts.

Ability to optimise pricing strategy

We negotiate pricing terms for a particular contract utilizing a range of pricing structures and conditions, including cost-plus contracts, fixed price contracts and/or SLA linked contracts. Our pricing is dependent on our internal forecasts, which may be based on limited data and could prove to be inaccurate. If we do not accurately estimate the costs and timing for completing fixed price or SLA linked contracts, such contracts could prove unprofitable for us or yield lower profit margins than anticipated. There is a risk that we will under-price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of such contracts, including those caused by factors outside our control, or any failure to complete our contractual obligations at the committed service levels could adversely affect our revenue and profitability. In addition, we are also exposed to unforeseen changes in the scope of existing contracts, either in terms of pricing or volume and quality of services that may occur as a result of any changes in the general business or internal management and industry-practice of our clients.

Market opportunities and industry dynamics

In Fiscal 2023, the outsourced integrated facility management market was estimated to be worth ₹ 980.8 billion. The outsourced integrated facility management market in India is expected to grow at a CAGR of 14.6% between Fiscal 2023 - Fiscal 2028, with a potential market size of ₹ 1,935.88 billion. The private security and manned guarding services market in India is valued at ₹1500 billion in Fiscal 2023. Growing security requirements and investments in assets across end user segments are anticipated to drive the demand in the forecast period and the market is expected to grow at a CAGR of 20.0% from Fiscal 2023 to Fiscal 2028, to reach ₹ 3740.26 billion. (*Source: F&S Report*)

Recently, the integrated facility management services market in India has witnessed increase in outsourcing of facility management from government segment. The government sector has grown at a CAGR of 10.4% during Fiscal 2018 – Fiscal 2023, higher than the 6% recorded by the private sector during the same period. The outsourced integrated facilities management market opportunity from the government sector in Fiscal 2023 stood at ₹ 492.95 billion and is expected to grow at a CAGR of 16.3% from Fiscal 2023 – Fiscal 2028 to reach ₹ 1,047.31 billion. (*Source: F&S Report*) As per F&S, several initiatives by the government to provide housing to all citizens – such as the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs and the development of Smart Cities in India are projected to have a beneficial impact on the Indian integrated facility management industry in the long-term. (*Source: F&S Report*) Apart from public infrastructure, railways, metros, government hospitals and educational institutions are also expected to increase their outsourcing in the long-term. (*Source: F&S Report*) The government sector also accounts for 30.0% of the total private security and manned guarding services in India in Fiscal 2023. Key segments withing government creating demand for these services are museums, monuments, archaeological sites, coal field, infrastructural assets and mega projects among others. (*Source: F&S Report*). For further information on market opportunity, see "*Our Business – Our Market Opportunities*" and "*Our Business – Our Competitive Strengths - Focused business model which is well-positioned to capture favourable industry dynamics"* on pages 184 and 186.

We believe we are well placed to capitalize on the expected growth in the relevant markets owing to our track record and our ability to effectively undertake our services, by targeting not only our existing customers, but also new customers. We also have a strong sales and marketing team consisting of 19 employees, as on March 31, 2023, who focus on customer development and maintaining customer relationship across our business verticals. As on August 31, 2023, the team consisted of 16 employees. However, any slowdown in the industries in which our customers operate due to any reasons including recession, pandemic or any other geo-political reasons may adversely impact our growth prospects and the results of operations.

Regulatory environment for the labour market in India

We are subject to labour legislations that protect the interests of workers, as well as laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime, working conditions, non-discrimination, employee compensation, employee insurance, bonus, gratuity, provident fund, leave benefits and other such employee benefits. These laws in India are enacted both by the Central Government and the State Governments in India. These laws and regulations vary from state to state in India and are subject to changes. See "*Key Regulations and Policies*" on page 202 for details. These legislations require compliance, from time to time, which may among others, involve payments to be made depending upon their period of employment. If we fail to comply with labour welfare legislations, we may be exposed to fines and we may also face the risk of our licenses under applicable legislations being cancelled or suspended. Further, in the event the welfare requirements under labour regulations applicable to us are changed, which leads to an increase in employee benefits payable by us or results in a or a steep increase in minimum wages payable by us, there can be no assurance that we will be able to recover such increased amounts from our customers in a timely manner, or at all. Our profit margins may get adversely impacted if we are unable to pass on such costs and cost increases to our customers on a concurrent basis.

The Government of India has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes, apart from the Code on Wages (Central Advisory Board) Rules, 2021 which prescribes, inter alia, the constitution and functions of the Central Advisory Board set up under the Wages Code, have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future.

Competition

We operate in a competitive environment, and we expect to face greater competition from existing competitors in India. We compete with different companies depending on the market and type of products and services currently offered by us.

The Indian integrated facilities management market is highly fragmented with close to 400-500 companies operating across the country. There are 7 large companies comprising of Tier 1 category, having presence across geographies and controlling about 8.1% of the total market, as on March 31, 2023. These companies include Sodexo, SIS Limited, Quess Corp, BVG, UDS, ISS Facility Services and Compass India. The competitive structure within the government segment is more organised than the total market. In addition to our Company, the major service providers to the government sector for integrated facilities management services in India are Sodexo, SIS Limited and BVG. (*Source: F&S Report*) In addition to our Company, SIS Limited, G4S, Checkmate, Peregrine, ISS, Sentinels, Securitas, Global Security Services, are some of the major companies operating in the private security and manned guarding services market in India. The market is extremely fragmented in India, with more than 20,000 companies operating in this market. The organised segment comprised of about 40-45% of the total market in Fiscal 2023. (*Source: F&S Report*) For further details, including the competitive environment for our other business verticals, see "*Industry Overview*" on page 125.

Some of our competitors may have more resources than us or have greater financial, technological and other resources, while certain competitors may have lower cost of operations. We also face the risk of our current or prospective customers deciding to utilize their internal workforce or use independent contractors or service providers in the unorganized segment to manage their facilities. We believe that our ability to compete as well as offer competitive prices is highly dependent on our ability to optimize our services portfolio and operations. As we continue to expand our operations into new geographies, business verticals or end-user segments, we are exposed to competition from newer players. There can be no assurance that we will be able to successfully compete with our competitors or be able to sell our products at desired margins. Enhanced competitive presence could manifest itself in various ways such as pricing pressure, increased competition for customer acquisition and retention, competitive product and service offerings with enhanced features and also competitive pressure on talent acquisition and retention thereby leading to enhanced costs. Also see "*Risk Factors – The industries in which we operate are intensely competitive and have low barriers to entry in certain instances. Our inability to compete effectively may adversely affect our business, cash flows, results of operations and financial condition.*" on page 44.

Significant Accounting Policies

The notes to the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus contain a summary of our significant accounting policies. Set forth below is a summary of our most significant accounting policies adopted in preparation of the Restated Consolidated Financial Information.

Basis of Preparation

The restated consolidated financial information of our Company comprise the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary of significant accounting policies and explanatory notes (collectively "the **Restated Consolidated Financial Information**"). The Restated Consolidated Financial Information have been prepared by the management of Company as required under the SEBI ICDR Regulations issued by SEBI, in pursuance of the SEBI Act, for the purpose of inclusion in this Draft Red Herring Prospectus in connection with the Offer, in terms of the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act
(ii) the SEBI ICDR Regulations
(iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended, and
(iv) E-mail dated 28 October 2021 from 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.

The Restated Consolidated Financial Information have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013.

The Company and its Subsidiaries were preparing their standalone financial statements up to and for the year ended March 31, 2022 in accordance with the Companies (Accounting Standard) Rules, 2021 (as amended) notified under Section 133 of the Act and other provisions of the Companies Act (“**Indian GAAP**” or “**Previous GAAP**”). The Company has not prepared its consolidated financial statement up to March 31, 2022 pursuant to option availed by Company as per Section 129(3) read with Companies (Accounts) Amendment Rules, 2016 of the Companies Act, 2013, and as such the Restated Consolidated Financial Information has been compiled by the management of the Company from the audited consolidated financial statements of the Company prepared under Ind AS for the year ended 31 March 2023. The special purpose financial statement for the financial year ending on March 31, 2021 were also prepared and approved by the management of the Company as per Ind AS to compile in the Restated Consolidated Financial Information.

Since these are the first Restated Consolidated Financial Information 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, 2020 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 45 of the Restated Consolidated Financial Information.

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

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.

Use of estimates and judgements

The preparation of the Restated Consolidated Financial Information 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 are 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 is based on value in use, which is 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 Restated Consolidated Financial Information 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 assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost.

(v) Measurement of defined benefit obligations: Key actuarial assumptions used for actuarial valuation.

(vi) Property, plant and equipment: Useful life of asset.

(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 analyzing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Measurement of Fair Value

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) 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).

(iii) 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.

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:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realized within twelve months after the reporting period; or

(iv) 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.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2020 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on a Straight-Line Method over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Category	Useful Life
Building	30 Years
Plant & Machinery	3 - 10 Years
Furniture & Fixtures	3 - 10 Years
Servers & Networks	6 Years
Vehicles	8 Years
Computer Peripherals	3 Years
Leasehold Improvements	Over the lease term

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Intangible Assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Assets	Amortisation Period
Computer Software	3 Years

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at 1 April 2020 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

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.

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 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:

(i) The contract involves the use of an identified asset.
(ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
(iii) The Group has the right to direct the use of asset.

As the date of commencement of the lease, the Group recognizes 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 recognizes 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 recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payment 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 amortized 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 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 Note 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 recognized on a straight line basis over the term of the relevant lease.

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.

Cash and cash equivalents

Cash and cash equivalent 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.

Financial Instruments

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

Financial Assets

<u>Initial recognition and measurement</u>

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.

<u>Subsequent measurement</u>

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

(i) Financial assets at amortised cost

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

<u>Financial asset at amortised cost</u>

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

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) 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:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(ii) 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, a 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 ventures

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 assets when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) 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:

(i) Financial assets measured at amortised cost;
(ii) 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:

(i) 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

(ii) 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.

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.

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:

(i) Financial liabilities at fair value through profit or loss

(ii) Loans and borrowings measured on amortised cost basis

(iii) 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/ loss 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.

Off-setting 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.

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 contract is recognized as income/expense.

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:

(i) 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;

(ii) A present obligation arising from the past events, when no reliable estimate is possible;

(iii) A possible obligation arising from the 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.

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 rates and tax laws enacted or substantively enacted, at the reporting date in the country 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 corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

(i) deductible temporary differences;

(ii) the carry forward of unused tax losses; and

(iii) 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.

Revenue recognition

The Group derives revenue primarily from manpower services comprises 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 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 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 Group's contracts may include variable consideration including discounts and penalties which are reduced from revenues and recognised based on an estimate of the expected payout relating to these considerations.

Revenue from manpower services is recognised over time since 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 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 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 payment is established.

Employee Benefits

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.

Compensated absences

The employees of the Group are entitled to compensated absences. For the purpose, the group follows calendar Year and not Financial Year. In-house employees cannot 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 increases this entitlement. The obligation is determined by management assessment of amount payable at each balance sheet date. In case of, on site employees, the compensated advances are part of there Compensation Package and the same is provided to them on demand/at the time of Full and Final Settlement. Accumulated compensated absences, considering the nature, are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits.

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 all 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 plan is recognised as expense during the period when the employee provides service.

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 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 recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

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

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
(ii) Net interest expense or income

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.

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.

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. Manapower and related Services and Catering Services.

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 the functional currency at exchange rates in effect at the reporting date.

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

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

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.

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

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

Assets and disposal groups are classified as held for sale if their carrying 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.

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.

Non-GAAP Measures

Certain non-GAAP measures such as EBITDA, EBITDA Margin, Debt Equity Ratio, Net Debt, Net Debt to EBIDTA, Net Asset Value per Equity Share, Net Worth, Return on Net Worth, Return on Equity, Return on Capital Employed, EBITDA CAGR, PAT CAGR and Revenue CAGR which are derived from the Restated Consolidated Financial Information (collectively, the "**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company's operating performance.

Also see *"Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable."* on page 57.

Reconciliation of EBITDA and EBITDA Margin to restated profit for the year

(Amounts in ₹ millions, except percentages)

Particulars	As of and for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Restated profit for the year	384.44	262.74	168.24
Adjustments:			
Add: Income tax expenses of discontinued operations	-	20.20	28.11
Add: Total Tax Expenses	52.45	62.71	(2.61)
Add: Depreciation and amortisation expense	46.57	42.95	46.90

(Amounts in ₹ millions, except percentages)

Add: Finance costs	94.92	87.78	90.60
Less: Other income	(38.29)	(21.81)	(30.20)
EBITDA	545.09	454.57	301.05
Revenue from operations	7,076.36	5,526.76	4,712.89
EBITDA Margin	7.70%	8.22%	6.39%

Reconciliation of Net Worth to Capital Employed and computation of Return on Capital Employed

(Amounts in ₹ millions, except percentages)

Particulars	As of and for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
A. Tangible Net Worth*	1,582.48	1,601.76	1,284.58
B. Long term debt**	213.99	292.53	284.42
C. Total capital employed (C = A + B)	1,796.47	1,894.29	1,569.00
D. Average capital employed	1,845.38	1,731.65	1,496.19
E. EBIT	531.80	433.44	284.36
Ratio (E/D)	28.82%	25.03%	19.01%

** 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.*

Restated profit for the year / period to Return on Equity

(Amounts in ₹ millions, except percentages)

Particulars	As of and for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
A. Profit after tax (attributable to owners)	384.44	262.74	168.24
B. Average net worth	1,658.48	1,512.66	1,276.63
Ratio (A/B)	23.18%	17.37%	13.18%

Net Worth and Return on Net Worth

(Amounts in ₹ millions, except percentages)

Particulars	As of and for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
A. Restated profit for the year	384.44	262.74	168.24
B. Total Equity	1,634.12	1,638.55	1,360.75
Return on Net Worth (A/B)	23.53%	16.04%	12.37%

Net Asset Value per Equity Share

(Amounts in ₹ millions, except share data)

Particulars	As of and for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
A. Net Worth	1,634.12	1,638.55	1,360.75
B. Weighted Average no. of Shares (in millions)	5.7622	5.7622	5.7622
Net Asset Value per Equity Share (A/B)	283.59	284.36	236.15

Net Debt (cash) and computation of Net Debt (cash) / Equity Ratio

(Amounts in ₹ millions, except percentages)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
A. Total Debt*	505.38	739.58	681.64
B. Cash and cash equivalents	93.71	4.90	14.55

C. Bank Balances other than cash and cash equivalents	97.94	228.75	218.17
D. Net Debts (Cash) (A-B-C)	313.73	505.92	448.92
E. Total Equity	1,634.12	1,638.55	1,360.75
Net Debt (cash) / Equity Ratio (D/E)	19.20 %	30.88 %	32.99 %

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

Net Debt (cash) and computation of Net Debt (cash) / EBITDA

(Amounts in ₹ millions, except percentages)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
A. Net Debts (Cash) (As calculated above)	313.73	505.92	448.92
B. EBITDA (As calculated above)	545.09	454.57	301.05
Net Debt (cash) / EBITDA (A/B)	57.56 %	111.31 %	149.11 %

Debt Equity Ratio

(Amounts in ₹ millions, except ratios)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Debt*	505.38	739.58	681.64
Total Equity	1,634.12	1,638.55	1,360.75
Ratio (A/B)	0.31	0.45	0.50

Principle components of revenue and expenditure

Income

Our total income comprises (i) revenue from operations and (ii) other income.

Revenue from operations

Revenue from operations comprises of sale of services which includes (i) manpower and related services and (ii) catering services.

Other income

Other income primarily includes (i) interest income, (ii) balance write back, (iii) income tax refund, and (iv) miscellaneous income.

Expenses

Our expenses comprise the following:

(i) Cost of materials and store and spares consumed;
(ii) Employee benefit expense;
(iii) Finance cost;
(iv) Depreciation and amortisation, and
(v) Other expenses primarily comprising (a) power and fuel, (b) rent, (c) repairs and maintenance, (d) insurance, (e) rates and taxes, (f) hire charges, (g) travelling expenses (including foreign traveling), (h) legal and professional fees, (h) ineligible GST expenses, (i) interest on late payment of GST, (j) interest and damages on ESIC, (k) interest and damages on PF, and (l) miscellaneous expenses.

Results of Operations

The following table sets forth certain information with respect to the results of operations of our Company based on the Restated Consolidated Financial Information, for the years indicated:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023	
	₹ in million	% of total income	₹ in million	% of total income	₹ in Million	% of total income
Income						
Revenue from operations	4,712.89	99.36%	5,526.76	99.61%	7,076.36	99.53%
Other income	30.20	0.64%	21.81	0.39%	33.29	0.47%
Total income	4,743.09	100.00%	5,548.57	100.00%	7,109.65	100.00%
Expenses						
Cost of materials and store and spare consumed	202.30	4.27%	242.26	4.37%	323.04	4.54%
Employee benefits expense	3,998.55	84.30%	4,713.28	84.95%	5,919.04	83.25%
Finance costs	90.60	1.91%	87.78	1.58%	94.92	1.34%
Depreciation and amortization expense	46.90	0.99%	42.95	0.77%	46.57	0.66%
Other expenses	310.52	6.55%	191.24	3.45%	335.93	4.72%
Total expenses	4,648.87	98.01%	5,277.51	95.11%	6,719.49	94.51%
Restated profit before exceptional items and tax from continuing operations	94.22	1.99%	271.06	4.89%	390.16	5.49%
Exceptional Items	-	-	-	-	-	-
Restated profit before tax from continuing operations	94.22	1.99%	271.06	4.89%	390.16	5.49%
Tax expense:						
Current tax	22.29	0.47%	44.66	0.80%	72.24	1.02%
Deferred tax	(24.90)	(0.52)%	18.05	0.33%	(19.79)	(0.28)%
Total tax expense	(2.61)	(0.05)%	62.71	1.13%	52.45	0.74%
Restated profit for the year from continuing operations after taxes	96.83	2.04%	208.35	3.75%	337.71	4.75%
Restated profit from discontinued operation before Taxes	97.77	2.06%	73.36	1.32%	46.42	0.65%
Income tax expenses of discontinued operations	28.11	0.59%	20.20	0.36%	-	
Restated profit from discontinued operation (after taxes)	69.66	1.47%	53.16	0.96%	46.42	0.65%
Restated profit for the year before share of profit of joint venture	166.49	3.51%	261.51	4.71%	384.13	5.40%
Share of profit of joint venture	1.75	0.04%	1.23	0.02%	0.31	0.01%
Restated profit for the year	168.24	3.55%	262.74	4.74%	384.44	5.41%

Financial Year ended March 31, 2023 compared with Financial Year ended March 31, 2022

Except as disclosed in sections titled " – *Overview*", *"- Significant Factors Affecting Our Results of Operations and Financial Condition*", "*Our Business*" and "*Risk Factors*" on pages 309, 310, 183 and 34, respectively, there were no other developments that particularly impacted our results of operations for the Financial Year ended March 31, 2022.

Set forth below is a discussion of our results of operations, on the basis of amounts derived from our Restated Consolidated Financial Information, for the Financial Years ended March 31, 2023 and March 31, 2022.

Income

Our total income increased by ₹ 1,561.08 million, or by 28.13%, from ₹ 5,548.57 million in Financial Year ended March 31, 2022 to ₹ 7,109.65 million in Financial Year ended March 31, 2023. This was driven by a growth in (i) our revenue from operations; and (ii) other income.

Revenue from operations

Our revenue from operation comprises of:

Business Vertical	Fiscal ended March 31, 2022	Fiscal ended March 31, 2023
	Revenue *(₹ in million)*	Revenue *(₹ in million)*
Integrated Facility Management Services	3,230.91	4,272.98
Staffing and Payroll Management	1,474.94	1,784.11
Private Security and Manned guarding	772.86	924.46
Catering	48.05	94.81
Total	**5,526.76**	**7,076.36**

Our revenue from operations increased by ₹ 1,549.60 million, or by 28.04%, from ₹ 5,526.76 million in Financial Year ended March 31, 2022 to ₹ 7,076.36 million in Financial Year ended March 31, 2023.

This was primarily due to increase in revenue from manpower and related services which increased by 27.43% from ₹ 5,478.71 million in Financial Year ended March 31, 2022 to ₹ 6,981.55 million in Financial Year ended March 31, 2023, owing to increase in our revenue from respective segments as stated above. This increase was primarily attributable to an increase in revenue from existing customers and higher volumes from new customers. Further, there was an increase in catering services which increased by 97.30% from ₹ 48.05 million in Financial Year ended March 31, 2022 to ₹ 94.81 million in Financial Year ended March 31, 2023 on account of higher volumes from new customers.

Other income

Our other income increased by ₹ 11.48 million, or by 52.64%, from ₹ 21.81 million in Financial Year ended March 31, 2022 to ₹ 33.29 million in Financial Year ended March 31, 2023. This was primarily due to an increase in (i) interest income, from ₹ 15.98 million in Financial Year ended March 31, 2022 to ₹ 20.26 million in Financial Year ended March 31, 2023 on account of increase in investments and advances, and (ii) balance write back from ₹ 5.57 million in Financial Year ended March 31, 2022 to ₹ 11.50 million in Financial Year ended March 31, 2023 on account of liabilities no longer payable.

Expenses

Our total expenses increased by ₹ 1,441.98 million, or by 27.32%, from ₹ 5,277.51 million in Financial Year ended March 31, 2022 to ₹ 6,719.48 million in Financial Year ended March 31, 2023. The expenses of our Company comprised (i) cost of materials and store and spare consumed, (ii) employee benefit expense (iii) finance cost, (iv) depreciation and amortization expense, and (v) other expenses.

Cost of materials and store and spare consumed

Our total cost of material and store and spare consumed increased by ₹ 80.78 million, or by 33.34%, from ₹ 242.26 million in Financial Year ended March 31, 2022 to ₹ 323.04 million in Financial Year ended March 31, 2023 on account of increase in volume and number of projects.

Employee benefits expense

Our employee benefits expense increased by ₹ 1,205.76 million, or by 25.58%, from ₹ 4,713.28 million in Financial Year ended March 31, 2022 to ₹ 5,919.04 million in Financial Year ended March 31, 2023. This increase was primarily due to an increase in (i) salaries and wages from ₹ 4,208.18 million in Financial Year ended March 31, 2022 to ₹ 5,267.05 million in Financial Year ended March 31, 2023, (ii) contribution to provident and other fund from ₹ 501.86 million in Financial Year ended March 31, 2022 to ₹ 648.93 million in Financial Year ended March 31, 2023, primarily owing to an increase in head count and on account of increase in number of projects/government rate revisions. These expenses were partially offset by a decrease in our staff welfare expenses which decreased marginally from ₹ 3.24 million in Financial Year ended March 31, 2022 to ₹ 3.06 million in Financial Year ended March 31, 2023.

Finance costs

Our finance cost increased by ₹7.14 million, or by 8.13%, from ₹ 87.78 million in Financial Year ended March 31, 2022 to ₹ 94.92 million in Financial Year ended March 31, 2023. This was primarily due to an increase in our other borrowings cost from ₹ 0.29 million in Financial Year ended March 31, 2022 to ₹ 10.87 million in Financial Year ended March 31, 2023 on account of higher quantum of borrowings and higher interest costs which was partially offset by decrease in interest expenses by ₹ 3.54 million from ₹ 85.10 million in Financial Year ended March 31, 2022 to ₹ 81.56 million in Financial Year ended March 31, 2023 on account of reduction in usage of working capital limit.

Depreciation and amortization expenses

Our depreciation and amortization expense increased by ₹ 3.62 million, or by 8.43%, from ₹ 42.95 million in Financial Year ended March 31, 2022 to ₹ 46.57 million in Financial Year ended March 31, 2023 primarily due to increase in our depreciation of tangible assets from ₹ 25.49 million in Financial Year ended March 31, 2022 to ₹ 35.10 million in Financial Year ended March 31, 2023 on account of capitalization new office premises (Kohinoor Square) which was partially offset by decrease in depreciation of (i) right to use assets from ₹ 16.26 million in Financial Year ended March 31, 2022 to ₹ 10.74 million in Financial Year ended March 31, 2023 on account of reduction in number of rental agreements which were more than 1 year than that in previous year, (ii) intangible assets from ₹ 1.20 million in Financial Year ended March 31, 2022 to ₹ 0.73 million in Financial Year ended March 31, 2023 on account of reduction in life of intangible asset.

Other expenses

Our other expenses increased by ₹ 144.69 million, or by 75.66%, from ₹ 191.24 million in Financial Year ended March 31, 2022 to ₹ 335.93 million in Financial Year ended March 31, 2023.

This was primarily due to increase in our (i) power and fuel expenses from ₹ 11.53 million in Financial Year ended March 31, 2022 to ₹ 15.19 million in Financial Year ended March 31, 2023 on account of increase in power cost of newly capitalized office premises and other branch offices, (ii) insurance expenses from ₹ 5.07 million in Financial Year ended March 31, 2022 to ₹ 10.57 million in Financial Year ended March 31, 2023 on account of increase in cost of insurance of new office premise, group medical premium of inhouse staff and new projects , (iii) travelling expenses (including foreign traveling) from ₹ 6.00 million in Financial Year ended March 31, 2022 to ₹ 23.62 million in Financial Year ended March 31, 2023 on account of pan-India site visits and business development visits, (iv) legal and professional fees from ₹ 32.58 million in Financial Year ended March 31, 2022 to ₹ 43.31 million in Financial Year ended March 31, 2023 on account of increased in statutory compliance cost, (v) ineligible GST expenses from ₹ 29.91 million in Financial Year ended March 31, 2022 to ₹ 43.73 million in Financial Year ended March 31, 2023 on account of increase in purchase in GST exempt sites, (vi) interest on late payment of GST from ₹ 5.64 million in Financial Year ended March 31, 2022 to ₹ 34.67 million in Financial Year ended March 31, 2023 on account of interest and late filing fees of prior period delays, (vii) interest and damages on PF from ₹ 0.02 million in Financial Year ended March 31, 2022 to ₹ 25.91 million in Financial Year ended March 31, 2023 on account of late payments of PF for prior period, and (viii) miscellaneous expenses from ₹ 9.87 million in Financial Year ended March 31, 2022 to ₹ 20.63 million in Financial Year ended March 31, 2023.

These expenses were partially set off by our expenses on business and promotion expenses which decreased from ₹ 12.69 million in Financial Year ended March 31, 2022 to ₹ 1.22 million in Financial Year ended March 31, 2023.

Restated profit before tax from continued operations

On account of factors mentioned hereinabove, our restated profit before tax from continued operations increased by ₹ 119.10 million, or by 43.94 %, from ₹ 271.07 million in Financial Year ended March 31, 2022 to ₹ 390.16 million in Financial Year ended March 31, 2023.

Total tax expense

Our total tax expense decreased by ₹ 10.26 million, or by 16.36 %, from ₹ 62.71 million in Financial Year ended March 31, 2022 to ₹ 52.45 million in Financial Year ended March 31, 2023. This was due to a decrease in deferred tax from ₹ 18.05 million in Financial Year ended March 31, 2022 to ₹ (19.79) million in Financial Year ended March 31, 2023 which was partially offset by increase in current tax from ₹ 44.66 million in Financial Year ended March 31, 2022 to ₹ 72.24 million in Financial Year ended March 31, 2023.

Restated profit for the year from continued operations after taxes

For the reasons discussed above, our restated profit from continued operations after taxes for the year increased by ₹ 129.36 million, or by 62.09%, from ₹ 208.35 million in Financial Year ended March 31, 2022 to ₹ 337.71 million in Financial Year ended March 31, 2023.

Restated profit from discontinued operation after taxes

Our restated profit from discontinued operations after taxes for the year decreased by ₹ 6.73 million from ₹ 53.16 million in Financial Year ended March 31, 2022 to ₹ 46.42 million in Financial Year ended March 31, 2023.

Financial Year ended March 31, 2022 compared with Financial Year ended March 31, 2021

Except as disclosed in sections titled " – *Overview*" "- *Significant Factors Affecting Our Results of Operations and Financial Condition*", "*Our Business*" and "*Risk Factors*" on pages 309, 310, 183 and 34, respectively, there were no other developments that particularly impacted our results of operations for the Financial Year ended March 31, 2022.

Set forth below is a discussion of our results of operations, on the basis of amounts derived from our Restated Consolidated Financial Information, for the Financial Years ended March 31, 2022 and March 31, 2021.

Income

Our total income increased by ₹ 805.48 million, or by 16.98%, from ₹ 4,743.09 million in Financial Year ended March 31, 2021 to ₹ 5,548.57 million in Financial Year ended March 31, 2022. This was driven by a growth in our revenue from operations but was partially offset by a decrease in other income.

Revenue from operations

Our revenue from operation comprises of:

Business Vertical	Fiscal ended March 31, 2021	Fiscal ended March 31, 2022
	Revenue (*₹ in million)*	Revenue (*₹ in million)*
Integrated Facility Management Services	3,348.13	3,230.91
Staffing and Payroll Management	718.40	1,474.94
Private Security and Manned guarding	611.78	772.86
Catering	34.58	48.05
Total	**4,712.89**	**5,526.76**

Our revenue from operations increased by ₹ 813.87 million, or by 17.27%, from ₹ 4,712.89 million in Financial Year ended March 31, 2021 to ₹ 5,526.76 million in Financial Year ended March 31, 2022.

This was primarily due to increase in revenue from manpower and related services which increased by 17.11% from ₹ 4,678.31 million in Financial Year ended March 31, 2021 to ₹ 5,478.71 million in Financial Year ended March 31, 2022, owing to increase in our revenue from respective segments (other than revenue from integrated facility management services, which saw a decrease) as stated above. This increase was primarily attributable to an increase in revenue from existing customers and new projects of higher volumes including on account of opening up of the markets post COVID-19 lockdown. Further, there was an increase in catering services which increased by 38.96% from ₹ 34.58 million in Financial Year ended March 31, 2021 to ₹ 48.05 million in Financial Year ended March 31, 2022 on account of higher volumes from new customers.

Other income

Our other income decreased by ₹ 8.38 million, or by 27.75%, from ₹ 30.20 million in Financial Year ended March 31, 2021 to ₹ 21.81 million in Financial Year ended March 31, 2022. This was primarily due to decrease in (i) interest income, from ₹ 18.82 million in Financial Year ended March 31, 2021 to ₹ 15.98 million in Financial Year ended March 31, 2022 on account of reduction in investments and advances and lower returns on investments during COVID-19 phase, and (ii) balance write back from ₹ 10.55 million in Financial Year ended March 31, 2021 to ₹ 5.57 million in Financial Year ended March 31, 2022 on account of less write off of liabilities.

Expenses

Our total expenses increased by ₹ 628.64 million, or by 13.52%, from ₹ 4648.87 million in Financial Year ended March 31, 2021 to ₹ 5,277.51 million in Financial Year ended March 31, 2022. The expenses of our Company comprised (i) cost of materials and store and spare consumed, (ii) employee benefit expense (iii) finance cost, (iv) depreciation and amortization expense, and (v) other expenses.

Cost of materials and store and spare consumed

Our total cost of material and store and spare consumed increased by ₹ 39.96 million, or by 19.75%, from ₹ 202.30 million in Financial Year ended March 31, 2021 to ₹ 242.26 million in Financial Year ended March 31, 2022 on account of increase in volume and number of projects.

Employee benefits expense

Our employee benefits expense increased by ₹ 714.73 million, or by 17.87%, from ₹ 3,998.55 million in Financial Year ended March 31, 2021 to ₹ 4,713.28 million in Financial Year ended March 31, 2022. This increase was primarily due to an increase in (i) salaries and wages from ₹ 3,590.52 million in Financial Year ended March 31, 2021 to ₹ 4,208.18 million in Financial Year ended March 31, 2022, (ii) contribution to provident and other fund from ₹ 403.81 million in Financial Year ended March 31, 2021 to ₹ 501.86 million in Financial Year ended March 31, 2022, primarily owing to an increase in head count and on account of addition of new projects / government rate revision. These expenses were partially offset by a decrease in our staff welfare expenses which decreased marginally from ₹ 4.22 million in Financial Year ended March 31, 2021 to ₹ 3.24 million in Financial Year ended March 31, 2022.

Finance costs

Our finance cost decreased by ₹ 2.82 million, or by 3.11%, from ₹ 90.60 million in Financial Year ended March 31, 2021 to ₹ 87.78 million in Financial Year ended March 31, 2022. This was primarily due to decrease in our other borrowings cost from ₹ 12.24 million in Financial Year ended March 31, 2021 to ₹ 0.29 million in Financial Year ended March 31, 2022 on account of lower quantum of borrowings and lower interest costs which was partially offset by increase in interest expenses by ₹ 9.02 million from ₹ 76.08 million in Financial Year ended March 31, 2022 to ₹ 85.10 million in Financial Year ended March 31, 2021 on account of increase in working capital limit.

Depreciation and amortization expenses

Our depreciation and amortization expense decreased by ₹ 3.96 million, or by 8.44%, from ₹ 46.90 million in Financial Year ended March 31, 2021 to ₹ 42.95 million in Financial Year ended March 31, 2022 primarily due to decrease in our depreciation of (i) tangible assets from ₹ 31.04 million in Financial Year ended March 31, 2021 to ₹ 25.49 million in Financial Year ended March 31, 2022 on account of lower additions in tangible assets , (ii) intangible assets from ₹ 1.28 million in Financial Year ended March 31, 2021 to ₹ 1.20 million in Financial Year ended March 31, 2022 on account of reduction in life of intangible assets, which was partially offset by increase in depreciation of right to use assets from ₹ 14.58 million in Financial Year ended March 31, 2021 to ₹ 16.26 million in Financial Year ended March 31, 2022 on account of higher number of rental agreements which are of more than 1 year.

Other expenses

Our other expenses decreased by ₹ 119.29 million, or by 38.41%, from ₹ 310.52 million in Financial Year ended March 31, 2021 to ₹ 191.24 million in Financial Year ended March 31, 2022.

This was primarily due to decrease in our (i) power and fuel expenses from ₹ 14.08 million in Financial Year ended March 31, 2021 to ₹ 11.53 million in Financial Year ended March 31, 2022 on account of reduction in fuel cost due COVID – 19 lockdown, (ii) insurance expenses from ₹ 15.38 million in Financial Year ended March 31, 2021 to ₹ 5.07 million in Financial Year ended March 31, 2022 on account of removal of keymen insurance, (iii) expected credit loss on trade receivables (net) from ₹ 99.32 million in Financial Year ended March 31, 2021 to ₹ 3.52 million in Financial Year ended March 31, 2022 on account of restatement of credit loss due to adoption of Ind AS, (iv) ineligible GST expenses from ₹ 35.08 million in Financial Year ended March 31, 2021 to ₹ 29.91 million in Financial Year ended March 31, 2022 on account of lesser purchases from GST exempt sites, and (v) miscellaneous expenses from ₹ 26.68 million in Financial Year ended March 31, 2021 to ₹ 9.87 million in Financial Year ended March 31, 2022.

These expenses were partially set off by our expenses on (i) legal and professional fees which increased from ₹ 29.10 million in Financial Year ended March 31, 2021 to ₹ 32.58 million in Financial Year ended March 31, 2022, and (ii) business promotion expenses which increased from ₹ 1.02 million in Financial Year ended March 31, 2021 to ₹ 12.69 million in Financial Year ended March 31, 2022.

Restated profit before tax from continued operations

On account of factors mentioned hereinabove, our restated profit before tax from continued operations increased by ₹ 176.84 million, or by 187.68 %, from ₹ 94.22 million in Financial Year ended March 31, 2021 to ₹ 271.06 million in Financial Year ended March 31, 2022.

Total tax expense

Our total tax expense increased by ₹ 65.32 million, from ₹ (2.61) million in Financial Year ended March 31, 2021 to ₹ 62.71 million in Financial Year ended March 31, 2022. This was due to increase in current tax from ₹ 22.29 million in Financial Year ended March 31, 2021 to ₹ 44.66 million in Financial Year ended March 31, 2022, and increase of deferred tax from ₹ (24.90) million in Financial Year ended March 31, 2021 to ₹ 18.05 million in Financial Year ended March 31, 2022.

Restated profit for the year from continued operations after taxes

For the reasons discussed above, our restated profit from continued operations after taxes for the year increased by ₹ 111.52 million, or by 115.17%, from ₹ 96.83 million in Financial Year ended March 31, 2021 to ₹ 208.35 million in Financial Year ended March 31, 2022.

Restated profit from discontinued operation after taxes

Our restated profit from discontinued operations after taxes for the year decreased by ₹ 16.50 million from ₹ 69.66 million in Financial Year ended March 31, 2022 to ₹ 53.16 million in Financial Year ended March 31, 2022.

Cash flows

(In ₹ million)

Particulars	**Financial Year ended**		
	March 31, 2021	**March 31, 2022**	**March 31, 2023**
Net cash flow from / (used in) operating activities	79.58	199.86	717.81
Net cash flow from / (used in) investing activities	176.07	(178.91)	(320.09)
Net cash flow from / (used in) financing activities	(267.72)	(30.59)	(308.92)
Cash and cash equivalents at the beginning of the year / period	26.63	14.55	4.90
Net increase/(decrease) in cash and cash equivalents	(12.08)	(9.64)	88.81
Cash and cash equivalents at the end of the year / period	14.55	4.90	93.71

Net cash generated from/ used in operating activities

Financial Year ended March 31, 2023

Net cash flow from operating activities was ₹ 717.81 million in Financial Year ended March 31, 2023.

Net profit before tax was ₹ 436.89 million in Financial Year ended March 31, 2023. Adjustments to reconcile net profit before tax to net cash flows from operating activities primarily consisted of depreciation and amortisation expense of ₹ 46.57 million, finance costs of ₹ 94.92 million, allowance for expected credit loss of ₹ 1.23 million, and balances written off of ₹ 0.03 million. This was partially offset by interest income of ₹ 20.77 million, and balance written back of ₹ 11.50 million. As a result, operating profit before working capital changes was ₹ 547.38 million in Financial Year ended March 31, 2023.

The main adjustments to operating profit before working capital changes included adjustments for increase in (i) inventories by ₹ 12.02 million, (ii) financial and other assets by ₹61.21 million, and (iii) trade payables, other financial liabilities, other liabilities and provisions by ₹ 122.25 million; and decrease in (i) trade receivables, loans, other financial assets and other assets of ₹ 368.65 million, and (ii) provisions of ₹ 15.84 million . Tax paid for Fiscal 2023 amount to ₹ 18.57 million.

Financial Year ended March 31, 2022

Net cash flow from operating activities was ₹ 199.86 million in Financial Year ended March 31, 2022.

Net profit before tax was ₹ 345.66 million in Financial Year ended March 31, 2022. Adjustments to reconcile net profit before tax to net cash flows primarily consisted of depreciation and amortisation expense of ₹ 42.95 million, finance costs of ₹ 87.78 million, allowance for expected credit loss of ₹ 3.52 million, and balances written off of ₹ 3.38 million. This was partially offset by interest income of ₹ 16.71 million, profit on sale of assets of ₹ 0.07 million, and balance written back of ₹ 5.57 million. As a result, operating profit before working capital changes was ₹ 460.95 million in Financial Year ended March 31, 2022.

The main adjustments to operating profit before working capital changes included adjustments for increase in (i) inventories by ₹ 36.38 million, (ii) financial and other assets by ₹47.45 million, and (iii) trade receivables, loans, other financial assets and other assets by ₹ 416.07 million; and decrease in (i) trade payables, other financial liabilities, other liabilities and provisions of ₹ 314.62 million, and (ii) provisions of ₹ 14.36 million. Tax paid for Fiscal 2022 amount to ₹ 90.18 million.

Financial Year ended March 31, 2021

Net cash flow from operating activities was ₹ 79.58 million in Financial Year ended March 31, 2021.

Net profit before tax was ₹ 193.76 million in Financial Year ended March 31, 2021. Adjustments to reconcile net profit before tax to net cash flows primarily consisted of depreciation and amortisation expense of ₹ 46.90 million, finance costs of ₹ 90.60 million, allowance for expected credit loss of ₹ 99.32 million, balances written off of ₹ 25.47 million, and loss on sale of assets of ₹3.19 million. This was partially offset by interest income of ₹ 19.42 million, and balance written back of ₹ 10.55 million. As a result, operating profit before working capital changes was ₹ 429.27 million in Financial Year ended March 31, 2021.

The main adjustments to operating profit before working capital changes included adjustments for increase in (i) inventories by ₹ 0.71 million, (ii) trade receivables, loans, other financial assets and other assets by ₹ 295.91 million, and (iii) trade payables, other financial liabilities, other liabilities and provisions of ₹ 35.87 million; and decrease in (i) financial and other assets by ₹31.92 million, and (ii) provisions of ₹ 26.75 million. Tax paid for Fiscal 2021 amount to ₹ 75.88 million.

Net cash generated from/ used in investing activities

Financial Year ended March 31, 2023

Net cash used in investing activities in Financial Year ended March 31, 2023 was ₹ 320.09 million. This was primarily on account of purchase of property, plant and equipment of ₹ 36.32 million, investments in bank deposits (having original maturity of more than three years) of ₹ 60.64 million, loans given to related parties of ₹ 233.49 million, and purchase of investments of ₹ 10.41 million. This was partially offset by interest received of ₹ 20.77 million.

Financial Year ended March 31, 2022

Net cash used in investing activities in Financial Year ended March 31, 2022 was ₹ 178.91 million. This was primarily on account of purchase of property, plant and equipment of ₹ 103.56 million, investments in bank deposits (having original maturity of more than three years) of ₹ 87.22 million, loans given to related parties of ₹ 1.07 million, and purchase of investments of ₹ 3.78 million. This was partially offset by interest received of ₹ 16.71 million.

Financial Year ended March 31, 2021

Net cash used in investing activities in Financial Year ended March 31, 2021 was ₹ 176.07 million. This was primarily on account of sale of property, plant and equipment of ₹ 45.04 million, maturity of bank deposits (having original maturity of more than three years) of ₹ 117.10 million, and interest received of ₹ 19.42 million. This was partially offset by loans given of ₹ 1.70 million and purchase of investments of ₹ 3.80 million.

Net cash generated from/ used in financing activities

Financial Year ended March 31, 2023

Net cash used in financing activities in Financial Year ended March 31, 2023 was ₹ 308.92 million. This was primarily on account of repayment of long-term borrowings of ₹ 44.61 million, repayment of short term borrowings amounting to ₹ 154.96 million, payment of lease liabilities of ₹ 16.93 million, and interest paid of ₹ 92.42 million.

Financial Year ended March 31, 2022

Net cash used in financing activities in Financial Year ended March 31, 2022 was ₹ 30.59 million. This was primarily on account of payment of lease liabilities of ₹ 17.58 million, and interest paid of ₹ 85.40 million. This was partially offset by proceeds from long term borrowings amounting to ₹18.84 million and proceeds from short term borrowings amounting to ₹53.55 million.

Financial Year ended March 31, 2021

Net cash used in financing activities in Financial Year ended March 31, 2021 was ₹ 267.72 million. This was primarily on account of repayment of long-term borrowings of ₹ 21.06 million, repayment of short term borrowings amounting to ₹ 142.67 million, payment of lease liabilities of ₹ 15.67 million, and interest paid of ₹ 88.32 million.

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through debt financing, equity funding and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements. We evaluate our funding requirements regularly in light of cash flows from our operating activities, the requirements of our business and operations and market conditions.

The following table summarizes certain information in relation to our liquidity and capital resources for the periods indicated:

(*₹ in million*)

Particulars	As at the Financial Years ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Cash and cash equivalents	14.55	4.90	93.71
Non-current borrowings	269.32	288.17	197.54
Current borrowings	383.79	437.34	282.38
Lease liabilities			
- Current	13.43	9.71	9.01
- Non current	15.09	4.37	16.45
Bank balances other than cash and cash equivalents	218.17	228.75	97.94

Indebtedness

As of March 31, 2023, we had non-current borrowings amounting to ₹ 197.54 million and current borrowings amounting to ₹ 282.38 million. For details of our financial indebtedness of our Company as on August 31, 2023, on a consolidated basis, see "*Financial Indebtedness*" on page 306.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business. Typically, we require, and may be unable to obtain, lender consents to incur additional secured debt, issue equity, change our capital structure, undertake any major expansion and for any change our management structure, whether or not there is any failure by us to comply with the other terms of such agreements.

Credit Ratings

Details of our credit ratings are set forth below:

Rating Agency	CRISIL Ratings
Total bank loan facilities rated	₹ 1,880 million
Long term rating	CRISIL BBB+/Positive
Short term rating	CRISIL A2

Trade receivables

Trade receivables represent receivables from our customers. Our trade receivables were ₹ 1,496.10 million as at March 31, 2023.

Trade payables

Our total trade payables were ₹ 158.49 million as at March 31, 2023.

Contingent liabilities and off-balance sheet arrangements

As at March 31, 2023, our contingent liabilities and commitments, to the extent not provided for, on a consolidated basis, were as follows:

₹ in millions

Particulars	As at March 31, 2023
Demands raised by Income tax authorities*	203.14
Provident fund dues	142.37
Interest liability on GST/Service Tax	31.49
Demands raised by Service tax authorities	6.37

**Out of above, our Company has already deposited ₹ 4.00 million with the income tax authorities.*

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Capital Expenditure

Details of our property, plant and equipment, capital work in progress, right of use assets and Intangible assets as on March 31, 2021, 2022 and 2023 are as follows:

(₹ in millions)

Particulars	As at the Financial Years ended (₹ in Millions)		
	March 31, 2021	March 31, 2022	March 31, 2023
Property, plant and equipments	98.30	94.71	782.18
Capital work-in-progress	600.06	600.06	-
Right-of-use assets	29.93	14.41	23.33
Intangible assets	1.43	1.33	0.91

In Fiscal 2021, our capital expenditure towards additions to tangible assets, right of use assets and intangible assets (on gross block basis, not accounting for deductions/ deletions) amounted to ₹ 38.06 million, ₹ 24.52 million and ₹ 0.53 million, respectively. In Fiscal 2022, our capital expenditure towards additions to tangible assets, right of use assets and intangible assets (on gross block basis, not accounting for deductions/ deletions) amounted to ₹ 22.06 million, ₹ 0.74 million and ₹ 1.10 million, respectively. In Fiscal 2023, our capital expenditure towards additions to tangible assets, right of use assets and intangible assets (on gross block basis, not accounting for deductions/ deletions) amounted to ₹ 722.82 million which includes capitalization of office premises in tangible assets of ₹ 641.40 million, ₹ 25.82 million and ₹ 0.33 million, respectively.

Reservations, qualifications, or adverse remarks

There are no reservation, qualifications or adverse remarks in the respective audit reports which have not been given effect to in the Restated Consolidated Financial Information. However, the following observations under the Companies (Auditors' Report) Order, 2020 have been included in the relevant reports, for the periods indicated:

<table>
<tr><th>Name of the company</th><th>Period</th><th>Details of Observation</th></tr>
<tr><td>Krystal Integrated Services Limited</td><td>Fiscal 2023</td><td>The Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, during the year, from banks on the basis of security of current assets. The quarterly returns and statements comprising stock and creditors statements, book debt statement filed by the Company with such banks are having following differences with the books of accounts, of the respective quarters.

Refer Note (1) below.</td></tr>
<tr><td>Krystal Integrated Services Limited</td><td>Fiscal 2023</td><td>There are no dues payable outstanding as on 31st March, 2023 for a period of more than six months from the date they became payable except as under:
<table>
<tr><th>Sr No</th><th>Statutory Liability</th><th>Amounts (Rs in Millions)</th></tr>
<tr><td>1</td><td>Provident fund</td><td>5.11</td></tr>
<tr><td>2</td><td>ESIC</td><td>4.11</td></tr>
<tr><td>3</td><td>Professional Tax</td><td>0.17</td></tr>
<tr><td>4</td><td>MLWF</td><td>0.19</td></tr>
</table></td></tr>
<tr><td>Krystal Integrated Services Limited</td><td>Fiscal 2023</td><td>There are no dues of Income-tax, Service tax, Duty of customs, Goods and service tax, duty of excise and value added tax as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:
<table>
<tr><th>Name of the statute</th><th>Assessment Year</th><th>Amount (Rs. In Million)</th><th>Forum where dispute is pending</th><th>Status</th></tr>
<tr><td>The Income Tax Act, 1961</td><td>2018-19</td><td>20.95</td><td>High Court</td><td>Order Awaiting Disposal at High Court</td></tr>
<tr><td>The Income Tax Act, 1961</td><td>2017-18</td><td>38.62</td><td>High Court</td><td>Order Awaiting Disposal at High Court</td></tr>
<tr><td>The Income Tax Act, 1961</td><td>2014-15</td><td>48.61</td><td>NA</td><td>Order Received from ITAT. Company is planning to appeal in High Court</td></tr>
<tr><td>The Income Tax Act, 1961</td><td>2013-14</td><td>35.17</td><td>NA</td><td>Order Received from ITAT. Company is planning to appeal in High Court</td></tr>
<tr><td>The Income Tax Act, 1961</td><td>2012-13</td><td>59.79</td><td>NA</td><td>Order Received from ITAT. Company is planning to appeal in High Court</td></tr>
<tr><td>Provident Fund</td><td>2022-23</td><td>24.75</td><td>Tribunal Court</td><td>Appeal</td></tr>
<tr><td>Provident Fund</td><td>2015-16</td><td>53.68</td><td>Tribunal Court</td><td>Appeal</td></tr>
<tr><td>Provident Fund</td><td>2014-15</td><td>63.94</td><td>Tribunal Court</td><td>Appeal</td></tr>
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<table>
<tr><td>GST Liability</td><td>2017-2020</td><td>19.93</td><td>Asst Commissioner - GST Audit II</td><td>Appeal</td></tr>
<tr><td>GST Liability</td><td>2017-18</td><td>5.63</td><td>Deputy Commissioner</td><td>Appeal</td></tr>
<tr><td>GST Liability</td><td>2017-19</td><td>1.18</td><td>Superintendent</td><td>Appeal</td></tr>
<tr><td>GST Liability</td><td>2013-18</td><td>4.74</td><td>Jt Commissioner, CGST & Central Excise</td><td>Appeal</td></tr>
</table>
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</tr>
<tr>
<td>Krystal Integrated Services Limited</td>
<td>Fiscal 2022</td>
<td>An amount of Rs.10.60 Crores is outstanding as on 31st March 2022 for a period of more than six months from the date they become payable in respect of ESIC, PF etc. Out of the same, Rs.4.01 Crore has already been deposited by the company, the balance amount Rs.6.54 Crores is pending mainly on account of KYC compliance and Government website not allowing to generate challan.</td>
</tr>
<tr>
<td>Krystal Integrated Services Limited</td>
<td>Fiscal 2022</td>
<td>The dues outstanding in respect of income tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues (Rs. in lakhs)

<table>
<tr><th>Nature of the act</th><th>Nature of dues</th><th>Amount</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th><th>Remarks, if any</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>397.87</td><td>Assessment year 2017-18</td><td>Commissioner of Income Tax (Appeals)</td><td>Appeal to CIT</td></tr>
<tr><td>Provident Fund</td><td>Provident Fund</td><td>85.29</td><td>Assessment year 2014-15</td><td>Tribunal Court</td><td>Appeal</td></tr>
<tr><td>Provident Fund</td><td>Provident Fund</td><td>554.06</td><td>Assessment year 2015-16</td><td>Tribunal Court</td><td>Appeal</td></tr>
</table>
</td>
</tr>
<tr>
<td>Krystal Integrated Services Limited</td>
<td>Fiscal 2021</td>
<td>An amount of Rs.8.80 Crores is outstanding as on 31st March 2021 for a period of more than six months from the date they become payable in respect of ESIC, PF etc. Out of the same, Rs.4.36 Crore has already been deposited by the company, the balance amount Rs.4.44 Crores is pending mainly on account of KYC compliance and Government website not allowing to generate challan.</td>
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<td>The dues outstanding in respect of income tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues (Rs. in lakhs)

<table>
<tr><th>Nature of the act</th><th>Nature of dues</th><th>Amount</th><th>Period to which the amount</th><th>Forum where dispute is pending</th><th>Remarks, if any</th></tr>
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<table>
<tr><th></th><th></th><th></th><th>relates</th><th></th><th></th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>397.87</td><td>Assessment year 2017-18</td><td>Commissioner of Income Tax (Appeals)</td><td>Appeal to CIT</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>17.54</td><td>Assessment year 2018-19</td><td>Commissioner of Income Tax (Appeals)</td><td>Appeal to CIT</td></tr>
<tr><td>Provident Fund</td><td>Provident Fund</td><td>85.29</td><td>Assessment year 2014-15</td><td>Tribunal Court</td><td>Appeal</td></tr>
<tr><td>Provident Fund</td><td>Provident Fund</td><td>554.06</td><td>Assessment year 2015-16</td><td>Tribunal Court</td><td>Appeal</td></tr>
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</tr>
<tr>
<td>Krystal Gourmet Private Limited</td>
<td>Fiscal 2023</td>
<td>
The dues outstanding in respect of service-tax on account of any dispute, are as follows:

Statement of disputed dues

<table>
<tr><th>Name of the statute</th><th>Period to which the Amount Relates</th><th>Amount (Rs. in Million)</th><th>Forum where dispute is pending</th><th>Status</th></tr>
<tr><td>Goods and Services Tax Act</td><td>FY 2013-14</td><td>6.37</td><td>Additional Commissioner, CGST & CE</td><td></td></tr>
</table>
</td>
</tr>
<tr>
<td>Krystal Gourmet Private Limited</td>
<td>Fiscal 2022</td>
<td>
Except for PF contribution of Rs. 13,402, Rs. 8,116 and Rs. 335 payable for Fiscal Years 2018-2019, 2019-2020 and 2020-2021 there are no undisputed dues payable.

The dues outstanding in respect of service-tax on account of any dispute, are as follows:

Statement of disputed dues

<table>
<tr><th>Nature of the act</th><th>Nature of dues</th><th>Amount (Rs. in Million)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Goods and Service Tax Act</td><td>Service Tax</td><td>6.37</td><td>FY 2013-14</td><td>Additional Commissioner, CGST & CE</td></tr>
</table>
</td>
</tr>
<tr>
<td>Krystal Gourmet Private Limited</td>
<td>Fiscal 2021</td>
<td>
Except for PF contribution of Rs. 13,402 and Rs. 8,116 payable for Fiscal Years 2018-2019 and 2019-2020 there are no undisputed dues payable.

The dues outstanding in respect of service-tax on account of any dispute, are as follows:
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Statement of disputed dues
<table>
<tr><th>Nature of the act</th><th>Nature of dues</th><th>Amount (Rs. in Million)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Goods and Service Tax Act</td><td>Service Tax</td><td>6.37</td><td>FY 2013-14</td><td>Additional Commissioner, CGST & CE</td></tr>
</table>
</td>
</tr>
<tr>
<td>Flame Facilities Private Limited</td>
<td>Fiscal 2023</td>
<td>
The outstanding statutory dues as on March 31, 2023 for a period of more than six months from the date they became payable, are as follows:

Statement of disputed dues
<table>
<tr><th>Nature of Dues</th><th>Amount (Rs. in Lakhs)</th><th>Period to which the amount relates</th></tr>
<tr><td>Provident Fund</td><td>1.17</td><td>FY 2019-20</td></tr>
<tr><td>ESIC</td><td>0.18</td><td>FY 2019-20</td></tr>
<tr><td>ESIC</td><td>0.26</td><td>FY 21-22</td></tr>
<tr><td>Provident Fund</td><td>0.93</td><td>FY 20-21</td></tr>
<tr><td>Provident Fund</td><td>4.19</td><td>FY 21-22</td></tr>
</table>
</td>
</tr>
</table>

Note (1)

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

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include sale of service, rent payments, professional fees, site expenses, interest expenses, remuneration, loans advanced, loans availed, and loans repaid.

For details, see "*Summary of Related Party Transactions*" on page 22. Also, see "*Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially have an adverse effect on our business.*" on page 50.

Quantitative and Qualitative Disclosures About Market Risk

Our management monitors and manages key financial risk relating to our operations by analysing exposures by degree and magnitude of risk. The risks include credit risk, liquidity risk, interest rate risk and inflation risk. Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework. Our risk management policies are established to identify and analyse the risks faced by us, 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 our activities.

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 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 on the respective dates, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

₹ in millions

	Carrying amount		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
India	1,496.10	2,411.60	2,002.43
Total	**1,496.10**	**2,411.60**	**2,002.43**

For further details on the Company's exposure to credit risk, see "*Financial Information – Note 41*" on page 291.

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 following are the remaining contractual maturities of financial liabilities as on March 31, 2023. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in millions

Particulars	**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	282.37	282.37	-	-	-
Lease Liabilities	25.46	16.45	9.01	-	-
Trade payables	158.50	158.50	-	-	-
Other financial liabilities	555.08	555.08	-	-	-

For further details on the Company's exposure to liquidity risk, see "*Financial Information – Note 41*" on page 292.

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.

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 of March 31, 2023 is as follows.

₹ in millions

Particulars	**As at March 31, 2023**
Fixed-rate instruments	
Financial assets	563.98
Financial liabilities	230.14
Sub-total	333.84
Variable-rate instruments	
Financial assets	-
Financial liabilities	249.77
Sub-total	(249.77)
Total	**84.06**

For further details on the Company's exposure to interest rate risk, see "*Financial Information – Note 41*" on page 293.

Inflation risk

In recent years, India has experienced relatively high rates of inflation. While we believe that inflation has not had any material impact on our business and results of operations in light of the growth of our revenues, inflation generally impacts the overall economy and business environment and hence could affect us.

Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "- *Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" on page 310 and 34, respectively.

Known trends or uncertainties

Other than as described in the section "*Risk Factors*" on page 34, to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future relationship between cost and income

Other than as described in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 34, 183 and 309, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Publicly announced new products or business segments /material increases in revenue due to increased disbursements and introduction of new products

As on the date of the Draft Red Herring Prospectus, there are no new products or services or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant dependence on single or few customers

In Fiscals 2023, 2022 and 2021, we generated revenue of ₹2,470.15 million, ₹1,894.48 million, and ₹1,429.01 million, respectively from our largest customer, which represented 34.91%, 34.28%, and 30.32% of our revenue from operations for the same periods. Further, our revenue from our top 10 customers for Fiscals 2023, 2022 and 2021 was ₹5,135.78 million, ₹3,929.35 million, and ₹3,756.98 million, respectively, which represented 72.58%, 71.10%, and 79.72% of our revenue from operations for the same periods.

Since we are significantly dependent on certain key customers for a significant portion of our revenue, the loss of any one of our key customers, including our top customer, for any reason (including, due to loss of contracts or failure to negotiate acceptable terms in contract renewal negotiations, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their operations, reduced or delayed customer requirements, shutdowns, labour strikes or other work stoppages), could have an adverse effect on our business, results of operations and financial condition.

Seasonality of business

Our business is not seasonal in nature.

Competitive conditions

We operate in a competitive environment. Please refer to the sections "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 183, 125 and 34, respectively for further information on our industry and competition.

Change in accounting policies

Except as described in this Draft Red Herring Prospectus, there have been no changes in our accounting policies in the last three Financial Years.

Significant developments after March 31, 2023 that may affect our future results of operations

To our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct or indirect tax matters (disclosed in a consolidated manner, as required under SEBI ICDR Regulations), and (iv) litigation proceedings that are otherwise material, in each case, involving our Company, our Subsidiaries, our Promoters and our Directors (the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or the Stock Exchanges against our Promoters in the last five Fiscals including any outstanding action. For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted a policy on materiality with regard to outstanding litigation involving the Relevant Parties ("**Materiality Policy**") to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to a resolution dated September 15, 2023 of our Board. In terms of the Materiality Policy, any pending litigation involving the Relevant Parties shall be considered "material" for the purpose of disclosure in the Offer Documents if:*

*(i) the aggregate monetary amount of claim involved, whether by or against the Relevant Parties, in any such pending litigation is equal to or in excess of 1% of the profit after tax, derived from the most recently completed fiscal year as per the Restated Consolidated Financial Information would be considered as material (the "**Materiality Threshold**"). As per our Restated Consolidated Financial Information, 1% of our profit after tax for Fiscal 2023 was ₹ 3.84 million, which has been considered as the Materiality Threshold;*

(ii) pending litigations where the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; or

(iii) such pending litigation the outcome of which is material from the perspective of the Company's business, operations, financial results, prospects or reputation, irrespective that the amount involved in such litigation (including any litigation under the Insolvency and Bankruptcy Code, 2016) may not meet the Materiality Threshold or that the monetary liability of such litigation is not quantifiable.

Further, pre-litigation notices (other than those issued by governmental, statutory, tax or regulatory authorities) received by the Relevant Parties shall not be considered as litigation until such time that any of the Relevant Parties, as the case may be, is made a party to proceedings initiated before any court, tribunal, or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

There are no outstanding litigation proceedings involving any of our Group Companies that have a material impact on our Company.

For the above purposes, notices received by the Relevant Parties from third parties (excluding notices from statutory, regulatory or tax authorities) shall not be evaluated for materiality until the Relevant Parties are impleaded as defendants in proceedings before any judicial forum.

Further, pursuant to a Board resolution dated September 15, 2023 , our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents if amounts due to such creditor exceed 5% of the total consolidated outstanding dues (i.e. 'trade payables') of the Company as of the end of the most recent period covered in the Restated Consolidated Financial Information. As per our Restated Consolidated Financial Information, the total consolidated outstanding dues of the Company as at March 31, 2023 are ₹ 158.49 million. Therefore, a creditor shall be considered material if amount due is equal or exceeds ₹ 7.92 million, being 5% of the total consolidated outstanding dues of the Company.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

(a) *Criminal proceedings against our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

(b) *Criminal proceedings by our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company other than as disclosed below.

1. Our Company has filed a complaint dated January 24, 2020 ("**Complaint**"), before the Chief Judicial Magistrate, Guatam Budh Nagar, Uttar Pradesh ("**CJM**") for violation under section 138 of the Negotiable Instruments Act, 1881 ("**Act**") against Lark International and others ("**Accused**") for recovery of invoice amount for payroll services provided by our Company. Pursuant to the complaint, it has been alleged that cheque dated November 1, 2019, amounting to ₹ 3.35 million drawn by the Accused in favour of our Company was dishonoured due to insufficiency of funds. Our Company has also filed an application under section 5 of the Limitation Act, 1963 read along with section 151 of the Civil Procedure Code, 1908 for condonation of delay of ten days in filing the Complaint. The CJM has issued summons to the Accused for appearance on August 20, 2023, and the matter is currently pending.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Company other than as disclosed below:

1. The Regional Director, Employees State Insurance Corporation ("**ESIC**") & Anr. ("**Appellants**") have filed a civil appeal against our Company before the High Court of Judicature at Bombay ("**High Court**") challenging the order dated October 29, 2020 ("**Impugned Order**"), passed by the Employees Insurance Court, Mumbai ("**EIC**") directing our Company to pay contribution of ₹ 0.14 million at 50% of total contribution of 0.27 million against head of accounts except salary difference, as per section 45-A of the Employees' State Insurance Act, 1948 ("**Act**"). The Impugned Order quashed and set aside two orders passed by the regional office Maharashtra, Employees State Insurance Corporation both dated June 29, 2012, claiming contribution of ₹ 1.07 million and ₹ 1.68 million from the Company. The matter is currently pending.

2. The Regional Director, Employees State Insurance Corporation ("**ESIC**") & Anr. ("**Appellants**") have filed a civil appeal against our Company before the High Court of Judicature at Bombay challenging the order dated December 4, 2020 ("**Impugned Order**"), passed by the Employees Insurance Court, Mumbai ("**EIC**") directing our Company to pay contribution of ₹0.16 million as per section 45-A of the Employees' State Insurance Act, 1948 ("**Act**"). The Impugned Order quashed and set aside order dated July 4, 2012 passed by the EIC which directed our Company to pay contribution of ₹0.32 million along with interest of 0.20 million as per section 45-A of the Act and was passed by the regional office Maharashtra, Employees State Insurance Corporation pursuant to the inspection, calling upon our Company to pay contribution for omitted wages against head of salary difference, charges paid towards housekeeping etc. The matter is currently pending.

(d) *Other material litigation against our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated against our Company other than as disclosed below.

1. Gurbani Security Private Limited ("**Petitioner**") has filed a writ petition invoking articles 226 and 227 of the Constitution of India, against the Government of NCT Of Delhi through the Directorate of Education, our Company and others ("**Respondents**") before the High Court of

Delhi at New Delhi challenging the process of evaluation of tenders for work of security manpower services in government schools run by the Department of Education, one of the Respondents and partial award of contract. The Petitioner alleges that the tender process was being conducted in an arbitrary and discriminatory manner for opening financial bid of bidders who do not qualify the eligibility criteria while disqualifying the Petitioner for the same. The Petitioner has prayed for quashing the order disqualifying the Petitioner and to allow Petitioner to be considered for evaluation in tender. The matter is currently pending.

2. R.D. Excellent Services Private Limited ("**Petitioner**") has filed a writ petition invoking article 226 of the Constitution of India against the Government of Delhi, our Company and others ("**Respondents**") before the High Court of Delhi at New Delhi challenging ten impugned tenders ("**Tenders**") for government schools and government aided schools vide bid documents alleging illegal and arbitrary denial of the awarding tenders to the Petitioner. According to the Petitioner, being a micro and small enterprise, it was the only qualified bidder deserving preferential opportunity as per the Government e-marketplace guidelines. The Petitioner has prayed for setting aside the Tenders and award of contracts to private respondents. The matter is currently pending.

(e) *Other material litigation by our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by our Company other than as disclosed below.

1. Our Company has filed a contempt petition against Maharashtra State Road Transport Corporation and others ("**Respondents**") before the High Court of Judicature at Bombay ("**High Court**") seeking directions for willful breach committed by the Respondents in complying with order of the High Court dated April 27, 2020 ("**Order**"), directing the Respondents to release proportionate contractual dues to the Company amounting to ₹ 407.50 million. The Order was issued pursuant to a writ petition filed by our Company in the High Court, seeking directions against the Respondents to release the outstanding amounts payable to the Company for providing integrated facility management services. The Respondents allegedly issued partial payment in favor of the Company which was not in accordance with the Order of the High Court. The matter is currently pending.

2. Our Company has filed a writ petition against the Union of India and others ("**Respondents**") before the High Court of Delhi at New Delhi ("**High Court**") seeking a writ of certiorari and mandamus to set aside the decision of Respondents, rejecting bid of our Company for allegedly not fulfilling the criteria of similar work as stipulated in the tender documents. The matter is currently pending.

3. Our Company has filed eight writ petitions ("**Writ Petitions**") before the High Court of Judicature at Bombay ("**High Court**") against the Employees' Provident Fund Organisation ("**Respondent 1**") and Anr. ("**Respondents**") challenging the orders dated November 29, 2021 ("**Impugned Orders**") passed by the Respondent 1 under sections 14B and 7Q of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**Act**"), invoking extraordinary jurisdiction of the High Court under articles 226 and 227 of the Constitution of India. The Impugned Orders were passed by the Respondent under section 14B of the Act, directing our Company to pay the penalty for default in payment of the contributions under the Act. Our Company then filed appeals ("**Appeals**") before the Central Government Industrial Tribunal No.1, Mumbai ("**CGIT**") on December 17, 2021 against the Impugned Orders. Since the CGIT is vacant due to retirement of the Presiding Officer, our Company has filed the Writ Petitions before the High Court along with an application for stay on the Order Dated November 29, 2021. The Writ Petitions have been disposed off by the High Court directing our Company to deposit ₹ 20.00 million out of the total dues ₹ 56.00 million in lieu of the Respondents refraining from initiating coercive steps to recover the remaining ₹ 36.00 million till the Appeals are decided by the CGIT. All contentions have been left open to be dealt with by CGIT.

4. Tuljabhawani Mandir Santha through its President and another ("**Petitioners**") have filed this Special Leave Petition ("**SLP**") invoking article 136 of the Constitution of India against

Rashtriya Shramik Aghadi and others ("**Respondents**") before the Supreme Court of India ("**Supreme Court**") challenging the impugned judgement and interim order ("**Impugned Order**") dated May 12, 2020, passed in a writ petition ("**Writ Petition**") filed by the Respondents before the Aurangabad bench of High Court of Bombay ("**High Court**"). The Respondents had also filed an application with the Assistant Commissioner of Labour to direct the Petitioners to regularize the workers and pay difference of wages to the workers, which is currently pending. The Writ Petition was also filed by the Respondents for regularization in services and excess salary in the larger interests of employees of the Petitioner. The Impugned Order directed the Petitioners to ensure that the payments are made to the concerned laborers for the period from March, 2020 to May, 2020. The High Court passed an order dated August 8, 2023, and dismissed the Writ Petition for lack of merit. The SLP alleges that that no specific civil application or petition requesting such payments had been filed prior to the issuance of the Impugned Order. The matter is currently pending.

5. Our Company has filed a writ petition ("**Writ Petition**") against the State of Telangana, the Niloufer Hospital and the Director of Medical Education ("**Respondents**") before the High Court of Judicature at Hyderabad ("**High Court**") requesting a writ of Mandamus or any other appropriate writ to direct Niloufer Hospital to release the bills amounts of ₹ 1.21 million along with 12% interest for engaging the Company for providing sanitation services and allegedly not paying the bills of the Company after the contract period is over. The High Court had issued a show cause notice dated July 9, 2018, to the Respondents to provide reasons for not admitting the affidavit filed in support of the Writ Petition to release ₹ 1.21 million along with 6% interest, pending disposal of the Writ Petition. The matter is currently pending.

6. Our Company has filed a writ petition before the High Court of Delhi at New Delhi ("**High Court**") against the Government of NCT of Dehi ("**Respondents**") challenging the impugned order dated September 11, 2023 ("**Order**"), pursuant to which the Respondents cancelled the contract of providing security services in government schools for allegedly misleading the Respondents by falsely applying under the micro and small category and violating Rule 170 (i) of General financial Rules 2017. Our Company has submitted that the Respondents acted in gross violation of principles of natural justice while cancelling our contract unilaterally and that we had submitted all the documents along with a letter claiming exemption from furnishing earnest money deposit required from bidders as per the general terms and conditions of the Government e Marketplace. The matter is currently pending.

II. Litigation involving our Subsidiaries

(a) *Criminal proceedings against our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiaries.

(b) *Criminal proceedings by our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Subsidiaries.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving our Subsidiaries.

(d) *Other material litigation against our Subsidiaries*

` As of the date of this Draft Red Herring Prospectus, there are no outstanding material litigation initiated against any of our Subsidiaries.

(e) *Other material litigation by our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by any of our Subsidiaries.

III. Litigation involving our Directors

(a) *Criminal proceedings against our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

(b) *Criminal proceedings by our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Directors.

(c) *Actions by statutory/regulatory authorities involving our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving any of our Directors.

(d) *Other material litigation against our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated against any of our Directors.

(e) *Other material litigation by our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by any of our Directors.

IV. Litigation involving our Promoters

(a) *Criminal proceedings against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

(b) *Criminal proceedings by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Promoters.

(c) *Actions by statutory/regulatory authorities involving our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving any of our Promoters.

(d) *Disciplinary action imposed by SEBI or stock exchanges against our Promoters in the last five financial years*

As of the date of this Draft Red Herring Prospectus, there are no disciplinary action imposed by SEBI or stock exchanges against any of our Promoters in the last five financial years.

(e) *Other material litigation against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated against any of our Promoters.

(f) *Other material litigation by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by any of our Promoters.

V. Tax Proceedings involving our Company, Subsidiaries, Directors and Promoters

Details of outstanding tax proceedings involving the Relevant Parties as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of Proceedings	Number of Proceedings	Amount involved (*in ₹ million*)
Direct Tax		
Company	6	203.14
Subsidiary	Nil	Nil
Promoter	6	36.94
Director*	Nil	Nil
Sub-Total (A)	**12**	**240.08**
Indirect Tax		
Company	6	58.67
Subsidiary	1	6.37
Promoter	Nil	Nil
Director	Nil	Nil
Sub-Total (B)	**7**	**65.04**
TOTAL (A+B)	**19**	**305.12**

**This excludes the proceedings against Neeta Prasad Lad, who is also the Director of our Company, and the relevant case has been included under the head of Promoter.*
^As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.

VI. Outstanding Dues to Creditors

As at March 31, 2023, we had 500 creditors to whom an aggregate outstanding amount of ₹ 158.49 million was due. Further, based on available information regarding the status of the creditor as a micro, small or a medium scale enterprise as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as of March 31, 2023, our Company owes an amount of ₹ 0.56 million to micro, small and medium enterprises.

As per the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds ₹ 7.92 million, which is 5% of the total consolidated outstanding dues (i.e., trade payables) of our Company as of the date of the last Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, i.e., March 31, 2023, shall be considered as 'material'.

Details of outstanding dues owed to micro, small and medium enterprises, and other creditors as at March 31, 2023 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises*	1	0.56
Other creditors**	499	157.93
Total	500	158.49

#The above figures (other than calculated figures) are based on Restated Consolidated Financial Information of the Company as at March 31, 2023.
**For outstanding dues to any party which is a micro, small or medium enterprise, the disclosure is based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*
***For the purpose of reporting of creditors outstanding as on March 31, 2023, the other creditors mean trade payables as per Restated Consolidated Financial Information of the Company as on March 31, 2023, excluding provision recognized for expenses in the books of accounts in respect of vendors for which invoices have not been received till March 31, 2023 and not credited in respective vendor's accounts and advances given to venders. Accordingly, any other liability including borrowings, etc. have not been considered for the purpose of reporting of creditors.*
^As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated September 27, 2023.

As at March 31, 2023, there are three material creditors to whom our Company owed an amount of ₹ 70.67 million. The details pertaining to outstanding dues towards our material creditors are available on the website of our Company at https://krystal-group.com/investor/.

VII. Material Developments since the Last Balance Sheet

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 309, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus, which materially or adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking the current business activities and operations of our Company. Except as disclosed below, no further approvals are material for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 202.

We have also set out below the material approvals or renewals applied for but not received by our Company.

I. Approvals relating to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Statutory and Regulatory Disclosures – Authority for the Offer*" on page 358.

II. Material approvals in relation to our Company - General details of our Company

a) Incorporation details

1. Certificate of incorporation dated December 1, 2000 issued by the RoC in the name of Sea King Enterprises Private Limited.

2. Fresh certificate of incorporation dated February 6, 2001 issued by the RoC in the name of Krystal Tradecom Private Limited.

3. Fresh certificate of incorporation dated May 19, 2009 issued by the RoC in the name of 'Krystal Integrated Services Private Limited'.

4. Fresh certificate of incorporation dated August 4, 2023 issued by the RoC pursuant to conversion of our Company from a 'private limited company' to a 'public limited company' and consequential change in our name from 'Krystal Integrated Services Private Limited' to 'Krystal Integrated Services Limited'. The present Corporate Identity Number of our Company is 'U74920MH2000PLC129827'.

b) Tax related approvals

1. The permanent account number of our Company is 'AABCK5816C', issued by the Income Tax Department under the Income Tax Act, 1961.

2. The tax deduction account number of our Company is 'MUMK08215E', issued by the Income Tax Department under the Income Tax Act, 1961.

3. Our Company has obtained GST registration certificates issued by the Government of India and the state governments for GST payments in the states where our business operations are situated.

4. Except as disclosed under " – *Material approvals or renewals for which applications are currently pending before relevant authorities*" below**,** Our Company has obtained professional tax certificates, to the extent applicable, for the states where our business operations are situated.

c) Labour Welfare Funds

Our Company is registered with the relevant state Labour Welfare Funds.

d) Airport Security Clearance

Our Company has obtained Airport Security Clearance issued by BCAS, Ministry of Civil Aviation.

e) Material approvals in relation to business and operations of our Company

To provide integrated facility management services, private security and manned guarding, and certain other services, our Company requires approvals and/or licenses under various state and central laws, rules, and regulations. These approvals and/or licenses, amongst others, include licenses under the respective shops and commercial establishment acts of those states, wherever enacted or in force, trade licenses from the respective municipal authorities of areas, registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948. In addition, as part of our portfolio of services, our Company provides private security and manned guarding services, for which it has obtained the license to engage in the business of a private security agency under the Private Security Agencies (Regulation) Act, 2005, as amended, in the respective states. Further, our Company is required to obtain and maintain licenses under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "**CLRA Act**") for providing contract labour to our clients and get themselves registered. Every contractor to whom the CLRA Act applies, is also required to obtain a license and to not undertake or execute any work through contract labour, except under and in accordance with such license.

Our Company has obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to carry out our operations. Certain approvals may have lapsed in their normal course, and we have either made applications to the appropriate authorities for renewal of such licenses and approvals or are in the process of making such applications.

For details of the risks relating to the material approvals required for undertaking our business, see "*Risk Factors – We may be required to receive or renew certain approvals or licenses required in the ordinary course of business or to commence new businesses. Failure to obtain or maintain or renew licenses, registrations, permits and approvals may adversely affect our business, cash flows and results of operations.*" on page 43.

III. Material approvals pending in respect of our Company

Material approvals or renewals for which applications are currently pending before relevant authorities

Madhya Pradesh

S. No.	Description	Registration/Renewal	Authority	Status of Application	Date of Application
1.	Contract Labour License	Registration	Labour Department, Madhya Pradesh	Applied	November 11, 2021

Maharashtra

S. No.	Description	Registration/Renewal	Authority	Status of Application	Date of Application
1.	Contract Labour License	Registration	Labour Department, Maharashtra	Applied	March 3, 2023

Punjab

S. No.	Description	Registration/Renewal	Authority
1.	Professional Tax Registration	Registration	Excise and Taxation Officer

IV. Intellectual Property

For details, see "*Our Business – Intellectual Property*" on page 200. For risks related to our intellectual property, see "*Risk Factors – We do not own the "Krystal" trademark or the trademark to our logo. We do not own the trademarks and logos used in our business, including the "Krystal" trademark, and have entered into Trademark License Agreements with one of our Individual Promoters for the usage of such intellectual property rights."* on page 46.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by our Board pursuant to its resolution dated September 15, 2023, and the Fresh Issue has been authorized by our Shareholders pursuant to their special resolution dated September 18, 2023. Our Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 27, 2023.

Our Board has taken on record the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated September 27, 2023.

The Promoter Selling Shareholder has authorized and confirmed inclusion of the Offered Shares as part of the Offer for Sale, as set out below:

S. No.	Name of the Promoter Selling Shareholder	Date of resolution by board of the Promoter Selling Shareholder	Consent Letter	Maximum no. of Equity Shares offered for sale
1.	Krystal Family Holdings Private Limited	September 26, 2023	September 27, 2023	Up to 1,750,000 Equity Shares aggregating up to ₹ [●] million

The Promoter Selling Shareholder confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, it has held its portion of the Offered Shares for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Therefore, the Equity Shares that will be offered by it in the Offer for Sale are eligible to be offered for sale in the Offer.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or Other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, Promoter Selling Shareholder, persons in control of our Company and persons in control of our Corporate Promoter, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters or directors have been debarred from accessing capital markets under any order or direction passed by the SEBI or any other authorities.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Directors associated with the Securities Market

None of our Directors are associated with the securities market in any manner and no outstanding action has been initiated against them by the SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Compliance with Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, the Promoter Selling Shareholder, members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to them in relation to the Company, as of the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information, as indicated below:

a) Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

b) Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

c) Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

d) Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years, are set forth below:

(*in ₹ million*)

Particulars	Financial Year 2023	Financial Year 2022	Financial Year 2021
Restated Net tangible assets	1535.38	1566.81	1249.16
Restated Monetary assets	93.71	4.90	14.55
Monetary assets as a % of net tangible assets (%)	6.10	0.31	1.17
Pre-tax operating profit	452.10	338.26	156.37
Net worth	1,634.12	1,638.55	1,360.75

Notes:

1. *"Net tangible assets" means the sum of all net assets of the Company as per the Restated Consolidated Financial Information excluding Intangible Assets, Right-of-use assets and Deferred Tax assets (net) (as per IND AS -26 or IND AS- 38), as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015)*
2. *"Monetary assets" are defined as amount of 'Cash and Cash equivalents' as per the Restated Consolidated Financial Information, (excluding Fixed deposits with banks not considered as cash and cash equivalents).*
3. *Net worth" means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

The Promoter Selling Shareholder confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, it has held its portion of the Offered Shares for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Therefore, the Equity Shares that will be offered by it in the Offer for Sale are eligible to be offered for sale in the Offer.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING INGA VENTURES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, BEING INGA VENTURES PRIVATE LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2023 IN THE FORMAT PRESCRIBED

UNDER SCHEDULE V(A) OF SEBI ICDR REGULATIONS, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013, and the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Promoter Selling Shareholder, our Directors and the Lead Manager

Our Company, the Promoter Selling Shareholder, our Directors and the Lead Manager accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by them in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Except when specifically directed in this Draft Red Herring Prospectus, anyone placing reliance on any other source of information, including our Company's website, https://krystal-group.com/ or any website of our Promoters, any member of the Promoter Group, Promoter Selling Shareholder, Group Companies or affiliates of our Company would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company. The Promoter Selling Shareholder, severally and not jointly, to the extent that the information pertain to them and their respective portions of the Offered Shares through the Offer Documents, and the Lead Manager to the public and investors at large and no selective or additional information would be made available by our Company and the Lead Manager for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, Lead Manager, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, the Underwriters, Lead Manager, and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and its associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, our Group Companies, the Promoter Selling Shareholder and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholder its Subsidiaries, and their respective group companies, directors, officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important NBFCs registered with the RBI or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, National Investment Fund, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and to Eligible FPIs, AIFs, FVCIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions.

This Draft Red Herring Prospectus shall not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be issued, directly or indirectly, and the Red Herring Prospectus (when available) may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United State in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, the Promoter Selling Shareholder, the Legal Counsel to the Offer as to Indian Law, the Bankers to our Company, the Lead Manager, the Registrar to the Offer, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s), the Sponsor Bank(s), Banker to the Offer, Frost & Sullivan, and the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013, and such consents that have been obtained have not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts

Our Company has not obtained any expert opinions other than as disclosed below:

Our Company has received written consent dated September 27, 2023 from T R Chadha & Co LLP, Statutory Auditors, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2023 on our Restated Consolidated Financial Information; and (ii) their certificate dated September 26, 2023 on the statement of special tax benefits available to our Company and its shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Additionally, our Company has also received (i) a consent dated September 27, 2023 from Maheshwari & Co., Chartered Accountants in its capacity as an independent chartered accountant; and (ii) a consent dated September 16, 2023 from Umang A Patel, Vastukala Consultants Private Limited, in their capacity as Chartered Engineer in connection with the purchase of new machinery in connection with Objects of the Offer to include their respective names in this Draft Red Herring Prospectus as required under the Companies Act 2013 and as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act 2013.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 84, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed Subsidiaries, Group Companies or Promoters.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of the equity shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since our Company's incorporation.

Previous public or rights issues, if any, during the last five years

Our Company has not made public issues during the last five years. Our Company has not undertaken any rights issue in the last five years.

Performance vis-à-vis Objects – Details of Public or Rights Issues by our Company

Our Company has not made public issues during the last five years. Our Company has not undertaken any rights issue in the last five years.

Performance vis-à-vis Objects – Details of Public or Rights Issues by listed subsidiaries/listed Promoter of our Company

Our Company does not have any listed Subsidiaries or listed Promoters.

[*Remainder page left intentionally blank***]**

Price Information of Past Issues Handled by the Lead Manager

Inga Ventures Private Limited

1. *Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Inga Ventures Private Limited:*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Designated stock exchange as disclosed in RHP	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Divgi TorqTransfer Systems Limited(2)	4,121.20	590/-	BSE	March 14, 2023	600/-	+ 9.24% [+4.30%]	+36.15% [+8.16%]	+ 63.55% [+15.02%]

Source: www.bseindia.com

Notes:

1. *S&P BSE SENSEX is considered as the Benchmark Index as the BSE being Designated Stock Exchange.*
2. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*

2. *Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):*

Financial Year	Total No. of IPOs	Total Funds Raised (₹ million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	1	4,121.20	-	-	-	-	-	1	-	-	-	1	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. *The information is as of the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the website of the Lead Manager, as provided in the table below.

S. No.	Name of the Lead Manager	Website
1.	Inga Ventures Private Limited	www.ingaventures.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In the event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay. Compensation for UPI bids shall be invoked for delayed unblocks from T+4 days.

All Offer-related grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholder, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs or the Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has also appointed Stuti Maru, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 76.

Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the Lead Manager.

Disposal of Investor Grievances by Our Company

Our Company shall obtain registration on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 and is in compliance with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 02, 2019 issued by the SEBI in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee comprising, Sunder Ram Govind Raghavan Korivi, Dhanya Pattathil and Sanjay Suryakant Dighe as members to review and redress shareholder and investor grievances. See "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 230.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there are no investor complaints pending as of the date of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Stuti Maru, Company Secretary as the Compliance Officer and she may be contacted in case of any pre- Offer or post- Offer related problems, at the address set forth hereunder.

Stuti Maru
Address: 20th Floor, Kohinoor Square, Shivaji Park, Dadar,
Mumbai – 400028, Maharashtra, India
Tel: +91 22 47471234
E-mail: company.secretary@krystal-group.com

The Promoter Selling Shareholder has authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares.

Our Company estimates that the average time required by it or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Disposal of investor grievances by listed Group Companies

As of the date of this Draft Red Herring Prospectus, we do not have any listed Group Companies.

Exemption from complying with any provisions of securities laws granted by the SEBI

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company. The fees and expenses relating to the Offer shall be borne by the Company. For details in relation to Offer expenses, see "*Objects of the Offer*" on page 98.

Ranking of the Equity Shares

The Equity Shares being issued and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. See "*Description of Equity Shares and Terms of the Articles of Association*" on page 399.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of the Companies Act, our Memorandum of Association and our Articles of Association, and provisions of the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 249 and 399, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹ [●] per Equity Share ("**Cap Price**"). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, the minimum Bid Lot, revision of Price Band, Offer Price, will be decided by our Company in consultation with the Lead Manager and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] edition of [●], the Marathi daily newspaper the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Cap Price will be at least 105% of the Floor Price. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 399.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

The Company has entered into an agreement dated July 21, 2023 with Central Depository Services (India) Limited ("**CDSL**") along with the Registrar to the Offer, as well as an agreement dated July 27, 2023 with National Securities Depository Limited ("**NSDL**") along with the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure*" on page 376.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, and the rules framed thereunder, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)(3)]

(1) Our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

(2) Our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be 5:00 p.m. on the Bid/Offer Closing Date, i.e., on [●].

An indicative timetable in respect of the Offer is disclosed below.

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The Lead Manager shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Lead Manager shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circulars dated June 2, 2021 and April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the UPI Circulars.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Promoter Selling Shareholder or the Lead Manager.

While our Company and the Promoter Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Lead Manager will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (Other than Bids from Anchor Investors)

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

** UPI mandate end time and date shall be 5:00 p.m. on [●].*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
(ii) 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Lead Manager to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Lead Manager and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days. None among our Company, the Promoter Selling Shareholder or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the revised Cap Price shall be less than or equal to 120% of the revised Floor Price, the Floor Price shall not be less than the face value of the Equity Shares, and that the revision in the Price Band shall not exceed 20% on either side, *i.e.*, the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular bearing no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond the prescribed time, our Company, to the extent applicable, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. If there is a delay beyond the prescribed period, our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

The Promoter Selling shareholder shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Promoter Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Promoter Selling Shareholder.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer equity share capital of our Company, the minimum promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 84 and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. See "*Description of Equity Shares and Terms of the Articles of Association*" on page 399.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager, reserves the right not to proceed with the Fresh Issue and the Promoter Selling Shareholder, reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Promoter Selling Shareholder, in consultation with the Lead Manager, withdraw the Offer at any stage and thereafter determine that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million, comprising of a fresh issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million by our Company, and an offer for sale of up to 1,750,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholder. The face value of our Equity Shares is ₹10 each.

The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company, respectively.

Our Company in consultation with the Lead Manager, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 150 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Lead Manager, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, not exceeding 20% of the Fresh Issue size, subject to compliance with Rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation (2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer shall be Allotted to QIBs. However, up to 5% of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs will be available for allocation subject to the following: Further, one-third of the Non-Institutional Portion will be made available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million upto ₹1.00 million; and (b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 376.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
	Up to 60% of the QIB Portion Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price	Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Bid Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with SEBI ICDR Regulations	
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Who can apply(3)	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Mode of Bidding	Through ASBA process only except for Anchor Investors (excluding the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism for an application size of up to ₹500,000)	Through ASBA process only (including the UPI Mechanism)
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.		
Trading Lot	One Equity Share		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(5)] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for Eligible Employees, RIBs or individual investors bidding under the Non – Institutional Portion for an amount of more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism), that is specified in the ASBA Form at the time of submission of the ASBA Form		

(1) *Our Company and the Promoter Selling Shareholder may in consultation with the Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 373*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to reject all or any multiple Bids, except as otherwise permitted, in any or all categories.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the Lead Manager and the Designated Stock Exchange, on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 367.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders through the UPI Mechanism.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

*The SEBI vide Its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 along with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.*

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are also deemed to form part of this Draft Red Herring Prospectus.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

*Pursuant to the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, the final reduced timeline of T+3 days shall be made effective using the UPI Mechanism ("**UPI Phase III**") in two phases, i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, as amended from time to time, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinatewith intermediaries involved in the said process. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rateof ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.

Our Company, the Promoter Selling Shareholder and the Lead Manager are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder may in consultation with the Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the Lead Manager and the Designated Stock Exchange, on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs (and subsequently, all UPI Bidders) through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 decided to continue the implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Phase III: In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Phase III shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer Lead Manager will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] edition of [●], the Marathi daily newspaper the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra, where our Registered Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the Lead Manager.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (those not using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Form for the various categories is as disclosed below.

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Form*

Notes:

(1) Electronic Bid cum Application Forms and the abridged prospectus will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the office of the Lead Manager.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (*i.e.*, the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Banker to the Offer. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Offer for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20,2022.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, it has been mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NII & QIB bids above ₹200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Lead Manager in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters and members of the Promoter Group of our Company, the Lead Manager, the Syndicate Members and persons related to Promoters/Promoter Group/the Lead Manager

The Lead Manager and the Syndicate Members shall not be allowed to subscribe to or purchase the Equity Shares in the Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion, where the allocation is in accordance with Regulation 32(3A) of the SEBI ICDR Regulations, as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription or purchase may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Lead Manager nor any associates of the Lead Manager can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associates of the Lead Manager;

(ii) insurance companies promoted by entities which are associates of the Lead Manager;

(iii) AIFs sponsored by the entities which are associates of the Lead Manager; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Lead Manager.

Further, an Anchor Investor shall be deemed to be an associate of the Lead Manager, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Lead Manager.

The Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. Further, except for offering of shares in the Offer by our Promoter Selling Shareholder, our Promoter and member of the Promoter Group would not participate in the Offer.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in color).

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application.

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 397. Participation of eligible NRIs shall be subject to FEMA Non-debt Instruments Rules.

Bids by FPIs

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Non-debt Instruments Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA Non-debt Instruments Rules, which, in the case of our Company, is 74% of the total paid-up equity share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments(as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

(i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (the "**Operational FPI Guidelines**"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("**MIM Bids**"). As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "**MIM Structure**"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

Bids by SEBI-registered AIFs, VCFs and FVCIs

The SEBI FVCI Regulations, the SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations till the existing fund or scheme managed by the fund is wound up. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs, and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to reject any Bid without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the Lead Manager, may deem fit.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

(1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Lead Manager.

(2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.

(5) Our Company and the Promoter Selling Shareholder in consultation with the Lead Manager will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

(6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the Lead Manager before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

(7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, *i.e.*, the Anchor Investor Offer Price.

(9) 50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

(10) Neither the Lead Manager (s) or any associate of the Lead Manager (other than mutual funds sponsored by entities which are associate of the Lead Manager or insurance companies promoted by entities which are associate of the Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Lead Manager or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Lead Manager) shall apply under the Anchor Investors category.

(11) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

For more information, please read the *General Information Document*.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (*i.e.*, bank account number) in the Bid cum Application Form if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

6. UPI Bidders Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

7. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

8. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

9. The ASBA bidders shall ensure that bids above ₹500,000 are uploaded only by the SCSBs;

10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the

Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

16. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;

18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

19. Since the Allotment will be in dematerialized form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

20. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

21. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

22. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process.

23. In case of UPI Bidders, once the Sponsor Bank issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

25. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

26. Anchor Investors should submit the Anchor Investor Application Forms to the Lead Manager;

27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their

Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

28. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

29. Bidders through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

31. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

32. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

33. Ensure that the Demographic Details are updated, true and correct in all respects; and

34. Ensure that your PAN is linked with your Aadhaar card, and that you are in compliance with notification dated February 13, 2020 and press release dated June 25, 2021, each issued by the Central Board of Direct Taxes.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit a Bid using UPI ID, if you are not an RIB;

3. Do not Bid/revise the Bid Amount to an amount calculated at less than the Floor Price or higher than the Cap Price;

4. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

12. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;

13. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

14. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid / Offer Closing Date for QIBs;

15. Do not Bid for Equity Shares in excess of what is specified for each category;

16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

19. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

20. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of the Red Herring Prospectus;

22. Do not submit the General Index Register (GIR) number instead of the PAN;

23. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if you are a UPI Bidder Bidding through the UPI Mechanism, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

24. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;

25. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

26. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

27. Anchor Investors should not bid through the ASBA process;

28. Anchor Investors should submit Anchor Investor Application Form only to the Lead Manager;

29. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

30. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;

34. Do not Bid if you are an OCB.

35. In case of ASBA Bidders (other than 3-in-1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 500,000.

36. If you are in the United States, then do not Bid unless you are a U.S. QIB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 76.

Further, helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set out in the table below:

S. No.	Name of the Manager	Helpline (email)	Telephone
1.	Inga Ventures Private Limited	krystal.ipo@ingaventures.com	+91 22 6854 0808

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

10. GIR number furnished instead of PAN;

11. Bids by RIBs with Bid Amount of a value of more than ₹200,000;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Bids accompanied by stock invest, money order, postal order or cash; and

14. Bids by QIBs uploaded after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 76.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount for the period of such delay by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the investor. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of shares in Non-Institutional Portion, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs shall be available for allocation of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"; and

(b) In case of Non-Resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, [●] edition of [●], the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Lead Manager and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading of the Equity Shares on the Stock Exchanges, disclosing the date of commencement of trading of the Equity Shares on the Stock Exchanges in: [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, [●] edition of [●], the Marathi daily newspaper (Marathi being the regional language of Mumbai, Maharashtra, where our Registered Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Underwriters intend to enter into an Underwriting Agreement prior to filing of the Red Herring Prospectus or Prospectus, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations.

(b) After signing the Underwriting Agreement, the Company will file a Red Herring Prospectus (subject to nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations) and a Prospectus with the RoC in accordance with applicable law. The Red Herring Prospectus will not have complete particulars of the Offer Price and the size of the Offer. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

(b) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds/unblocking (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date, in accordance with the applicable provisions of the SEBI ICDR Regulations;

- except for allotments pursuant to: (i) the Offer; (ii) the Krystal ESOP Plan, 2023; and (iii) the Pre-IPO Placement, no further issue of the Equity Shares shall be made from date of the receipt of changes or observations on this Draft Red Herring Prospectus from SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be;

- our Company and the Promoter Selling Shareholder in consultation with the Lead Manager, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed;

- if our Company and the Promoter Selling Shareholder in consultation with the Lead Manager withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft offer document with the SEBI.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder undertake the following:

(i) it is the legal and beneficial owners of the Equity Shares offered in the Offer for Sale;

(ii) the Offered Shares are free and clear of any encumbrances and shall be transferred to the successful Bidders under applicable law free and clear of any encumbrances;

(iii) the portion of the Offered Shares offered for sale by the Promoter Selling Shareholder are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations; and

(iv) it shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges.

The Promoter Selling Shareholder accepts responsibility for and confirms that the statements made or confirmed by the Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it and its respective portion of the Equity Shares offered in the Offer for Sale and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

Utilization of Net Proceeds

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

The Company confirms that all monies received out of Offer shall be credited/transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of and prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Under the FDI Policy, subject to compliance with PSARA, our Company is permitted to have FDI up to 74% wherein FDI up to 49% is permitted under the automatic route and beyond 49% and up to 74% is permitted under the government route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 376.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United State in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Not to issue shares with disproportionate rights

The Company shall not issue any shares (not being preference shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.

ALTERATION OF CAPITAL

Alteration and consolidation, sub-division and cancellation of shares

The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:

1. increase its share capital by such amount as it thinks expedient by issuing new shares;
2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
5. a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

   b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

Reduction of capital, etc. by Company

The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:

a. its share capital;
b. any capital redemption reserve account; or
c. any share premium account.

Surrender of Shares

The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

Modification of Rights
Power of modify shares

The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.

Set-off of Moneys Due To Shareholders

Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

Conversion of Shares

The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Right of stockholders

The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

LIEN

Company's lien on shares

The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

As to enforcing lien by sale

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

Authority to transfer

a) To give effect to such sale, the Board of Directors may authorize any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
b) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Application of proceeds of sale

The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

FORFEITURE OF SHARES

If call or installment not paid, notice may be given

If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

Evidence action by Company against shareholders

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Form of Notice

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

If notice not complied with, shares may be forfeited

If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice after forfeiture

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Boards' right to dispose of forfeited shares or cancellation of forfeiture

A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

Liability after forfeiture

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

Effect of forfeiture

The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Non-payment of sums payable at fixed times

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

Validity of such sales

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER AND TRANSMISSION OF SHARES

Board's right to refuse to register

The Board, may, at its absolute discretion and without assigning any reason, decline to register

1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
2. Any transfer or transmission of shares on which the Company has a lien

a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
d. The provisions of this clause shall apply to transfers of stock also.

Further right of Board of Directors to refuse to register

a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.

b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
c. Notwithstanding anything contained in Sub-articles (d) and (e) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
d. On giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

   Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

   Provided further that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.
e. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
f. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
   i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
   ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
   iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.
   iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.
   v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

   Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).

VOTES

a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
b. Every member holding any preference share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the preference shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on preference shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
c. Whenever the holder of a preference share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such preference shares bear to the total equity paid-up capital of the Company.

DIVIDENDS AND RESERVES

Rights to Dividend

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

Declaration of Dividends

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

What to be deemed net profits

The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend

The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Dividends to be paid out of profits only

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

Reserve Funds

a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

Method of payment of dividend

a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

Deduction of arrears

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

Adjustment of dividend against call

Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

Payment by cheque or warrant

a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

Retention in certain cases

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

Receipt of joint holders

A). Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:

  a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
  b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act".

Deduction of arrears

Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

Notice of Dividends

Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

Dividend not to bear interest

No dividend shall bear interest against the Company.

Unclaimed Dividend

No unclaimed dividends shall be forfeited before the claim becomes barred by the law. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

Transfer of share not to pass prior Dividend

Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Capitalisation of Profits

a) The Company in General Meeting, may on the recommendation of the Board, resolve:
  1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided

profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and

2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:
   1. paying up any amount for the time being unpaid on any share held by such members respectively;
   2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
   3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).

c) A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

Powers of Directors for declaration of Bonus

a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
   1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
   2. generally do all acts and things required to give effect thereto.

b. The Board shall have full power:

   1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
   2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.

Any agreement made under such authority shall be effective and binding on all such members.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, and also the documents for inspection referred to hereunder, copies of which will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and will also be available at the following web-link – https://krystal-group.com/investor/, may be inspected at our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, except for such contracts and documents that will be executed subsequent to the completion of the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer agreement dated September 27, 2023 entered into between our Company and the Lead Manager.

2. Registrar agreement dated September 27, 2023 entered into between our Company, Promoter Selling Shareholder and the Registrar to the Offer.

3. Cash escrow and sponsor bank agreement dated [●] entered into among our Company, the Promoter Selling Shareholder, the Lead Manager, the Banker(s) to the Offer and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] entered into among our Company, the Promoter Selling Shareholder, and the share escrow agent.

5. Syndicate agreement dated [●] entered into among our Company, the Promoter Selling Shareholder the Lead Manager, Registrar to the Offer and the Syndicate Members.

6. Monitoring agency agreement dated [●] entered into among our Company and the Monitoring Agency.

7. Underwriting agreement dated [●] entered into among our Company, the Promoter Selling Shareholder and the Underwriters.

8. Appointment letter dated September 03, 2016 and September 18, 2023 in relation to arrangement with Prasad Minesh Lad for appointment as Chief Mentor.

9. Trademark licensing agreement dated September 19, 2021 between our Company and Prasad Minesh Lad.

10. Trademark licensing agreement dated December 24, 2020 between Krystal Gourmet Private Limited and Prasad Minesh Lad.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, each as amended.

2. Certificate of incorporation dated December 1, 2000 issued by the RoC.

3. Fresh certificate of incorporation dated February 6, 2001 issued by the RoC.

4. Fresh certificate of incorporation dated May 19, 2009 issued by the RoC.

5. Fresh certificate of incorporation dated August 4, 2023 issued by the RoC at the time of conversion from a private limited company into a public limited company.

6. Resolutions of the Board dated September 15, 2023 and resolution of the Shareholders dated September 18, 2023, in relation to the Offer and other related matters.

7. Resolution of the Board dated September 27, 2023 approving this Draft Red Herring Prospectus.

8. Resolution dated September 27, 2023 passed by the Audit Committee approving the key performance indicators and certain other related matters.

9. Copies of the directors' reports and auditor's reports of our Company for the Financial Years 2023, 2022 and 2021.

10. Copies of the annual reports of the Company for the Financial Years 2023, 2022 and 2021.

11. The examination report of our Statutory Auditors dated September 27, 2023 on the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

12. Certificate on the Statement of Special Tax Benefits available to our Company and its shareholders.

13. Certificate dated September 27, 2023 from the Maheshwari & Co, Chartered Accountants, with respect to our working capital requirements.

14. Industry report titled "*Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India*" dated September 21, 2023 prepared by Frost & Sullivan.

15. Scheme of arrangement under Sections 230 to 232 of the Companies Act for demerger of "Smart City Business" of our Company to VTSPL, as approved by our Board on March 30, 2021 and approved by the National Company Law Tribunal, Mumbai pursuant to its order dated June 20, 2022.

16. Copy of the Krystal ESOP Plan, 2023

17. Consent of our Directors, the Lead Manager, the Legal Counsel to the Offer as to Indian law, the Registrar to the Offer, the Banker(s) to our Company, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Syndicate Members, the Banker(s) to the Offer, the Sponsor Bank, the Monitoring Agency to act in their respective capacities.

18. Consent letter dated September 27, 2023 from Krystal Family Holdings Private Limited, our Promoter Selling Shareholder in relation to the Offer for Sale.

19. Resolution of board of directors dated September 27, 2023 taking on record the Offer for Sale by the Promoter Selling Shareholder.

20. Written consent dated September 27, 2023 from T R Chadha & Co LLP, Statutory Auditors, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2023 on our Restated Consolidated Financial Information; and (ii) their certificate dated September 26, 2023 on the statement of special tax benefits available to our Company and its shareholders, included in this Draft Red Herring Prospectus.

21. Written consent dated September 27, 2023 from Maheshwari & Co. in its capacity as an independent chartered accountant ; and (ii) a consent dated September 16, 2023 from Umang A Patel, Vastukala Consultants Private Limited, Chartered Engineer to include their name in this Draft Red Herring Prospectus as required under the Companies Act 2013 and as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act 2013.

22. Certificate dated September 16, 2023 from Umang A Patel, Vastukala Consultants Private Limited, Chartered Engineer in connection with the purchase of new machinery in connection with Objects of the Offer.

23. Certificate dated September 27, 2023 from Maheshwari & Co, Chartered Accountants with respect to key performance indicators of our Company.

24. Tripartite Agreement dated July 27, 2023 among our Company, NSDL and the Registrar to the Offer.

25. Tripartite Agreement dated July 21, 2023 among our Company, CDSL and the Registrar to the Offer.

26. Due Diligence Certificate dated September 27, 2023 addressed to the SEBI from the Lead Manager.

27. In-principle listing approvals dated [●] and [●] by the BSE and the NSE, respectively.

28. Final observation letter bearing number [●] dated [●] addressed to the Lead Manager from the SEBI.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

N.P.Lad

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Neeta Prasad Lad
Chairperson and Managing Director

Place: Mumbai, Maharashtra
Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Pravin Ramesh Lad
Whole-time Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Barun Dey
Chief Financial Officer

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Sanjay Suryakant Dighe
Chief Executive Officer and Whole-time Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Saily Prasad Lad
Whole-time Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Shubham Prasad Lad
Whole-time Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Vijay Agarwal

Vijay Kumar Agarwal
Independent Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Sunder Ram Govind Raghavan Korivi
Independent Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Yajyoti

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Dr. Yajyoti Digvijay Singh
Independent Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Lt. Colonel Kaninika Thakur
Independent Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Dhanya Pattathil
Independent Director

Place: Mumbai, Maharashtra

Date: September 27, 2023

DECLARATION BY KRYSTAL FAMILY HOLDINGS PRIVATE LIMITED, AS THE PROMOTER SELLING SHAREHOLDER

We, Krystal Family Holdings Private Limited, confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus specifically in relation to ourselves, as the Promoter Selling Shareholder, and our respective portion of the Offered Shares, are true and correct. The Promoter Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

N.P.Lad

For Krystal Family Holdings Private Limited

Name: Neeta Prasad Lad

Authorised Signatory

Date: September 27, 2023

Place: Mumbai, Maharashtra