

# T R Chadha & Co LLP

## Chartered Accountants

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Email:mumbai@trchadha.com



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### INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of Krystal Integrated Services Private Limited**

#### Report on the audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Krystal Integrated Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit and cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report thereon

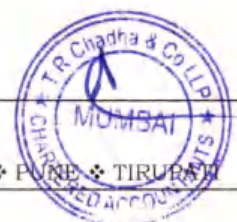
The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available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

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to state in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standard and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

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evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

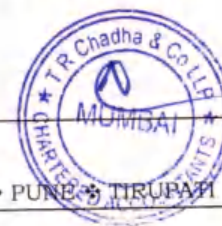
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

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

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2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position other than mentioned under contingent liability.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 27<sup>th</sup> November 2021  
Place: Mumbai



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

Alka Hinge  
(Partner)  
Membership No. 104574  
UDIN: 21104574AAAAJA6815

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### ANNEXURE-A

**Krystal Integrated Services Private Limited**  
**Annexure to Independent Auditors' Report for the period ended March 2021**  
**(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)**

**(i) Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As per explanation and information given to us, the fixed assets have been physically verified by the management in phased manner, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.
- c) In our opinion and according to the information and explanations given to us by the management and on the basis of an examination of the records of the Company, the title deeds of the immovable properties as disclosed in financial statements are held in the name of the company.

**(ii) Inventories**

In our opinion and information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

**(iii) Loans given**

The Company has granted unsecured loan to two companies covered in the register maintained under Section 189 of the Companies Act, 2013:-

- a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- b) One of the aforesaid loan is granted to an AOP wherein the company has a claim over the entire profit/loss of the project and in another case loan has been given to wholly owned subsidiary at a rate of interest which is not prejudicial to the interest of company.
- c) There are no amounts overdue for more than ninety days at the balance sheet date in respect of the aforesaid loan.

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



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In our opinion and according to the information and explanation provided to us, the company has complied with the provisions of section 185 & 186 of the Companies Act, 2013, with respect to the loans and investment made.

### (v) Public Deposit

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

### (vi) Cost Records

As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of activities carried on by the Company.

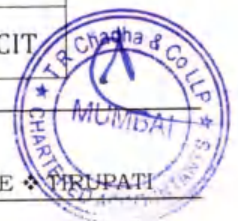
### (vii) Statutory Dues

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, income-tax, 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 Rs. 8.80 crores in respect of ESIC, PF etc. Out of the same, Rs. 4.36 Crores has already been deposited by the company, the balance amount Rs. 4.44 Crores is pending mainly on account of KYC complinace and Government website not allowing to generate Challan. The Company is following up with the appropriate authorities.*
- b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Duty of customs, Goods and service tax, duty of excise and value added tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Assessment Year	Amount (Rs.)	Forum where dispute is pending	Status
The Income Tax Act, 1961	2017-18	3,97,87,040	CIT	Appeal to CIT
The Income Tax Act, 1961	2018-19	17,53,910	CIT	Appeal to CIT

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Provident Fund	2014-15	85,29,187	Tribunal Court	Appeal
Provident Fund	2015-16	5,54,06,755	Tribunal Court	Appeal

- (viii) In our opinion and according to the information and explanations provided by the management, Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations provided by the management, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) As the company is a private limited company, paragraph 3 (xi) of the order with regards to payment of managerial remuneration is not applicable to the company.
- (xii) As explained, the company is not a Nidhi Company, therefore, paragraph 3 (xii) of the order is not applicable to the company.
- (xiii) As the Company is a private limited company, it is not required to constitute an audit committee. Hence Section 177 of Companies Act, 2013 is not applicable to the Company. The Company has complied with the provisions of Section 188 and the details have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) Company has not made preferential allotment or private placement of shares or fully or partially convertible debenture during the year under review. Therefore, clause (xiv) of the order is not applicable to the company.
- (xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the Company.

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



A handwritten signature in blue ink, appearing to read 'Alka Hinge'.

Alka Hinge  
(Partner)  
Membership No. 104574  
UDIN: 21104574AAAAJA6815

Date: 27.11.2021  
Place: Mumbai

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### ANNEXURE-B

#### THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KRYSTAL INTEGRATED SERVICES PRIVATE LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls systems with reference to financial statement reporting of **Krystal Integrated Services Private Limited** ("the Company") as of 31 March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls systems with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems with reference to financial statements and their operating effectiveness. Our audit of internal financial controls systems with reference to financial statements included obtaining an understanding of internal financial controls systems with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls systems with reference to financial statements.

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

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2021, based on, "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".



Date: 27<sup>th</sup> November 2021  
Place: Mumbai

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(Partner)  
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