



Certificate on Objects: Utilization of loan proposed for repayment and prepayment

February 19, 2024

To,

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

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

(Inga Ventures Private Limited is referred to as the “Book Running Lead Manager” or the “BRLM”)

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

In connection with the Offer, we, T R Chadha & Co LLP, statutory auditors have been requested by the Company to certify the utilization of Term loan of the Company outstanding as on January 31, 2024 as set out in **Annexure A** as prepared by the management of the Company and signed by us for identification purposes which is proposed to for repayment / prepayment from IPO Proceeds.

In this respect, we have performed the following procedures:

1. We have obtained sanction letter of the term loan availed by the Company as mentioned in Annexure A.
2. We have obtained the details of the utilization of term loan availed and traced the amount of utilization of the said loan to the bank statements of the Company.
3. Enquired with the officials of the Company and obtained management representation.

On the basis of above-mentioned procedure and according to information and explanation given to us, we hereby certify that the term loan obtained by the Company and outstanding as on January 31, 2024 as set out in the Annexure A has been utilized for the purposes for which the same was obtained.

We have conducted our examination 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. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have also 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 confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.



This certificate is issued for the sole purpose of the Offer, and we hereby consent to, and have no objection to, the inclusion of our name and this certificate or any extract thereof, in full or part, 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**”), and for the submission of this certificate as may be necessary, to the Securities and Exchange Board of India, the stock exchange(s) where the Equity Shares are proposed to be listed, Registrar of Companies, Maharashtra at Mumbai or/and any other regulatory authorities as may be required and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the Book Running Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Book Running Lead Manager and the legal counsel appointed in relation to the Offer.

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

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 work, for this certification.

For and on behalf of T R Chadha & Co LLP
Chartered Accountants
FRN: 006711N/N500028

Alka Hinge

Partner

Membership Number: 104574

UDIN: 24104574BKASJI4116

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 A

Name of the Borrower	Name of the lender, nature and date of the loan agreement and date of the sanction letter	Date of Sanction	Purpose for which disbursed loan amount was sanctioned and utilized	Principal loan amount sanctioned	Outstanding loan amount as on January 31, 2024	Rate of Interest as on January 31, 2024	Tenor and Repayment Schedule / led repayment date	Prepayment Penalty	Amount proposed to be repaid out of the Net Proceeds (if the same has been determined)	Whether the loan has been utilized for the purpose for which it has been availed	
1	Krystal Integrated Services Pvt Ltd	Mumbai District Central Co-op Bank Ltd.**	May 6, 2019	For business purpose and expansion needs #	250	118.75 (as per books)	11 % p.a.	7 Years	NA	100.00	Yes
	Term Loan										

Notes:

* The Company's board of directors, in a resolution dated May 26, 2014, sanctioned the acquisition of its corporate office, authorising Prasad Minesh Lad and Neeta Prasad Lad to negotiate and finalize purchase of corporate office with Kohinoor CTNI Infrastructure Company Private Limited for a consideration of ₹357.49 million. The subsequent Rectification Deeds in 2019 corrected the purchaser's name to 'Krystal Integrated Services Private Limited,' aligning with the initial resolution, with the funds sourced partly from a loan and internally accrued by the Company. The agreements dated June 12, 2014 entered for purchasing the corporate office, were rectified through rectification deeds dated March 29, 2019, and July 04, 2019, to accurately reflect the purchaser as 'Krystal Integrated Services Private Limited.' These rectification deeds confirmed the resolution on May 26, 2014, expressing the Company's intent to acquire the corporate office. An amount of ₹ 126.50 million and ₹ 121.49 million (i.e. total ₹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, respectively for purchase of the corporate office on behalf of the Company. The balance costs of ₹ 51.03 million and ₹ 56.85 million were reimbursed through internal accruals by the Company to reimburse the amount paid by Prasad Minesh Lad and Neeta Prasad Lad, respectively. These transactions form part of the related party transactions of our Company for the Fiscals 2019, 2020, 2021, 2022 and 2023.

**Mumbai District Central Co-op Bank Ltd, registered under the Maharashtra Co-Operative Societies Act, 1960, is a related party of the Company.

