



**Inga Ventures Private Limited**  
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Website: www.ingaventures.com  
Contact Person: Kavita Shah  
SEBI Registration No: INM000012698  
CIN: U67100MH2018PTC318359

### ANNEXURE III

Date: September 27, 2023

#### **Securities and Exchange Board of India**

Corporation Finance Department  
Division of Issues and Listing  
SEBI Bhavan, Plot No. C4 A, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Maharashtra, India

Dear Madam/ Sir,

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 each ("Equity Shares") by Krystal Integrated Services Limited (the "Company") and such offering, (the "Offer")**

Dear Madam/ Sir,

We, Inga Ventures Private Limited, as the book running lead manager ("BRLM") who has been appointed by the Company to manage the Offer, state and confirm that:

- (1) We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, tax litigation etc. and other material while finalising the draft red herring prospectus dated September 27, 2023 ("DRHP") pertaining to the said Offer;
- (2) On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies and independent verification of the statements concerning the objects of the Offer, price justification and the contents of the documents and other papers furnished by the Company and the Promoter Selling Shareholder, we confirm that:
  - (a) the DRHP filed with the Securities and Exchange Board of India ("SEBI") is in conformity with the documents, materials and papers which are material to the Offer;
  - (b) all material legal requirements relating to the Offer as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and



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- (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended (“**Companies Act, 2013**”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable legal requirements.
- (3) Besides ourselves, all the intermediaries named in the DRHP are registered with the SEBI and that till date such registrations are valid. **Complied with and noted for compliance**
- (4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. **Noted for compliance**
- (5) Written consent from the Promoters have been obtained for inclusion of Equity Shares held by them as part of the Promoters’ contribution subject to lock-in and the Equity Shares proposed to form part of the Promoters’ contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the DRHP with the SEBI until the date of commencement of lock-in period as stated in the DRHP. **Complied with and noted for compliance**
- (6) All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of Promoters’ contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. **Complied with and noted for compliance**
- (7) All applicable provisions of the SEBI ICDR Regulations which relate to receipt of Promoters’ contribution prior to opening of the Offer, shall be complied with. We confirm that arrangements have been made to ensure that Promoters’ contribution shall be received at least one day before the opening of the Offer. We undertake that auditor’s certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the Promoters’ contribution will be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. **Not applicable**
- (8) Necessary arrangements have been made to ensure that the monies received pursuant to the Offer are credited or transferred in a separate bank account as per the provisions of sub-section (3) of Section 40 of the Companies Act, 2013 and that such moneys shall be released by the said bank only after permission is obtained from the Stock Exchanges and that the agreement entered into between the Bankers to the Offer and the Company specifically contains this condition. **Noted for compliance**
- (9) The existing business as well as any new business of the Company for which funds are being raised fall within the ‘main objects’ in the object clause of the Memorandum of Association of the



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Company or the charter of the Company and that the activities which have been carried on in the last ten years are valid in terms of the object clause of the Memorandum of Association of the Company. **Complied with, to the extent applicable.**

- (10) Following disclosures have been made in the DRHP:
- (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company excluding SR equity shares, where the Company has outstanding SR equity shares; and **Complied with to the extent applicable and noted for compliance. There are no SR equity shares issued by the Company**
  - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. **Complied with**
- (11) We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. **Noted for compliance**
- (12) We certify that the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of SEBI ICDR Regulations. **Not applicable**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the periods disclosed in the DRHP have been entered into by the Company in accordance with applicable laws. **Complied with to the extent applicable. Refer to the Due Diligence Process Note enclosed as Appendix A to this certificate.**

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any. **Complied with. Refer to Appendix B to this certificate.**

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

Thanking you,

Sincerely,

*[Reminder of this page intentionally left blank]*



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*This signature page forms an integral part of the letter to the Securities and Exchange Board of India, in relation to the initial public offering of Krystal Integrated Services Limited.*

**For Inga Ventures Private Limited**

*K. Shah*



**Authorized Signatory**

Name: Kavita Shah

Designation: Partner

Contact Number: +91 9867501267

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## APPENDIX A

### Note explaining the process of due diligence that has been exercised

We, the BRLM, with assistance from the Legal Counsel (as defined below), have carried out a due diligence exercise on the Company for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent customary for initial public offerings in India, along with other professionals and experts engaged in the Offer. The due diligence process carried out by us and the Legal Counsel commenced with interactions with the Individual Promoters, Directors and senior management of the Company to gain an understanding of, among other matters, the business of the Company and its Subsidiaries, key risks involved and financial overview, and the background of Company’s Promoters and management. In this regard, we provided the Company with a due diligence questionnaire and information request list prepared in consultation with Legal Counsel. In response to the questionnaire and the information requisition list, the Company provided us with supporting documents for our review and gave us explanations for our queries. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

In connection with the Offer, IndusLaw has been appointed as the legal counsel to the Offer as to Indian law (“**Legal Counsel**”). The Legal Counsel have assisted us in carrying out legal due diligence, drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws, and advised the Company and us on other legal matters, as appropriate in the Offer, including for the purpose of issuing legal opinion in relation to the Offer to the BRLM, as applicable.

We were also assisted by the current statutory auditors of the Company, T R Chadha & Co LLP (“**Statutory Auditors**”) for financial related matters. In addition to examining the restated consolidated financial information for Financial Years 2021, 2022 and 2023, the Statutory Auditor has provided a statement of possible special tax benefits available to the Company and its shareholders, and verified and certified certain matters relating to, *inter alia*, eligibility criteria, compliance with corporate governance conditions by the Company, details of amounts outstanding to micro, small and medium enterprises and other creditors of the Company, and computation of average cost of acquisition of Equity Shares for the Promoters, Promoter Group and Selling Shareholders and weighted average price of Equity Shares for the periods required under the SEBI ICDR Regulations, and utilisation of loan proposed to be repaid of Net Proceeds of the Offer. In addition, Maheshwari & Co, Chartered Accountants, independent peer reviewed chartered accountants appointed by the Company (“**Independent Chartered Accountant**”) have verified and provided certifications with respect to certain information included in the DRHP, including, without limitation, key performance indicators of the Company, and details of working capital of the Company. As on the date of the DRHP, the Statutory Auditor and the Independent Chartered Accountant hold valid peer review certificates issued by the ICAI.



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Further, we also obtained a certificate dated September 16, 2023 from Vastukala Consultants (I) Pvt. Ltd., Chartered Engineer (“**Independent Chartered Engineer**”), in connection with the details of the machinery proposed to be purchased by the Company from the Net Proceeds of the Offer, including estimated cost thereto. The Independent Chartered Engineer has confirmed that it is an independent organization with no direct or indirect interest in the Company, except for provision of professional services in the ordinary course of its profession in connection with the Offer, and is not related in any manner to the promoters, promoter group, directors, shareholders, officers, employees, agents, representatives of the Company and is not a ‘related party’ of the Company, or otherwise interested or engaged in the formation, promotion or management of the Company.

The report titled “*Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India*” dated September 21, 2023 (“**F&S Report**”) issued by Frost & Sullivan (India) Private Limited (“**F&S**”) has been used by the Company for disclosures relating to the industry information in the DRHP. Further, the Company has received a written consent dated September 25, 2023 from F&S (appointed by the Company vide its engagement letter dated June 15, 2023) to include extracts of the F&S Report in the DRHP and other Offer related documents, and such consent has not been withdrawn as at the date of filing of the DRHP. The F&S Report has been commissioned and paid for by the Company for the purpose of confirming our understanding of the industry in connection with the Offer. F&S has, among others, confirmed that it does not have any direct/ indirect interest in or relationship with the Company or its Promoters, Directors, Key Managerial Personnel or Senior Management Personnel, or the BRLM.

## 1. ***Business and Commercial Diligence***

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending a kick-off discussion with the Company to develop an understanding of the business, history and other matters of the Company, its Subsidiaries, and the industry overview and the regulatory environment, which were attended by members of the Company team, BRLM, Legal Counsel and the Statutory Auditor. A broad overview of the business of the Company, its Subsidiaries, the industry in which they operate, the regulatory framework with respect to their businesses, the corporate structures, capital structure, financials and shareholding pattern of the Company were presented, followed by interactive discussions.
- (b) Regularly interacting with the Company’s senior management, including the Chief Executive Officer, Chief Financial Officer, the Company Secretary and Compliance Officer, other Key Managerial Personnel and Senior Management Personnel, as well as other individuals from the Company’s business, secretarial, legal and finance departments, and the Statutory Auditor for the purpose of gaining an understanding about, among other matters, the business, the risks involved and the financial overview of the Company. These interactions included (i) due diligence calls, drafting sessions and conference calls to discuss the draft disclosures in the



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DRHP; (ii) due diligence calls with the Statutory Auditor; (iii) bring down due diligence calls to receive updated information from the Company before filing the DRHP; (iv) seeking appropriate certifications from the Company, its Directors, Promoters (including the Promoter Selling Shareholder), Promoter Group, Subsidiaries, Key Managerial Personnel, member of Senior Management, Group Companies, Statutory Auditor, Independent Chartered Accountant and Independent Chartered Engineer; and (v) seeking appropriate clarifications from the Company, the Statutory Auditor and Independent Chartered Accountant with respect to key financial, financial related and operational data. These interactions were conducted with the objective of assisting the Company to prepare the disclosures as required under the SEBI ICDR Regulations and other applicable laws with regard to the Offer. We will continue to undertake these interactions and due diligence calls until the allotment of Equity Shares in the Offer.

- (c) Interacting with and conducting due diligence call with the industry consultant, namely F&S to understand the sources of information provided in the industry report and updates thereupon.
- (d) Requesting the Company to provide documents based on the requirements under the SEBI ICDR Regulations. Assisting the Company to make available due diligence documents in a virtual data room or share through e-mails and reviewing those documents along with the Legal Counsel, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions.
- (e) Interacting with the Key Managerial Personnel, Senior Management Personnel and other senior personnel of the Company to understand the Company's day to day operations, key business processes and to verify the disclosures being made in the DRHP.
- (f) Reviewing, together with the Legal Counsel, certain business-related documents pertaining to the Company, including (i) contracts with key customers, and (ii) various internal policies pertaining to its business operations, as adopted and implemented by the Company.
- (g) Obtaining circle-ups from the Statutory Auditors on financial information and certification from the Independent Chartered Accountant for the operational data and certain financial related information included in the DRHP, as on and for the periods specified therein.
- (h) Obtaining a certificate from the Independent Chartered Engineer in connection with the details of the machinery proposed to be purchased by the Company from the Net Proceeds of the Offer, including estimated cost thereto.
- (i) Obtaining and relying on formal representations and undertakings from the Company and the Promoter Selling Shareholder in the Offer Agreement.





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- (j) Undertaking site visits of the Registered Office and Corporate Office of the Company.
- (k) For certain information, relying on management certificates from the Company for compliance with the SEBI ICDR Regulations.

## 2. *Industry Information*

The Company has obtained the F&S Report, commissioned and paid for by the Company for the purpose of confirming our understanding of the industry in connection with the Offer. The industry related information contained in the DRHP, including sections titled “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Result of Operations”, has been included from the F&S Report.

The F&S Report will be available on the website of the Company at <https://krystal-group.com/investor/>, in accordance with applicable law and has been included as one of the documents that will be available as a material document for inspection.

## 3. *Outstanding Litigation and Material Creditors*

The Company has disclosed pending litigation proceedings involving the Company, its Directors, Promoters, Subsidiaries, in accordance with the legal requirements under the SEBI ICDR Regulations (a) all outstanding criminal proceedings; (b) all outstanding actions by regulatory authorities and statutory authorities; (c) outstanding claims related to direct and indirect tax matters have been disclosed as required under the SEBI ICDR Regulations in a consolidated manner, giving the number of cases and total amount; (d) outstanding litigation involving each of the Group Companies which has a material impact on the Company; and (e) all outstanding legal proceedings, including any litigation or arbitration proceedings involving the Company, its Subsidiaries, Promoters or Directors, that are material as per the policy of materiality adopted by the Board of the Company by a resolution dated September 15, 2023 (the “**Materiality Policy**”) and disclosed in the section titled “*Outstanding Litigation and Other Material Developments*” on page 348 of the DRHP.

The Company has provided a list of outstanding litigation involving the Company, and supporting documents for material proceedings involving the Company. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. For disclosures relating to litigation involving the Directors, Promoters, Subsidiaries and Group Companies, the Company has provided certifications received from such persons/ entities.

As described above, outstanding legal proceedings in relation to direct and indirect tax matters have been disclosed in a consolidated manner giving details of number of cases and total amount involved. With respect to such proceedings, we have relied on a list provided by the Company.





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Pursuant to the SEBI ICDR Regulations and the Materiality Policy, for the purposes of disclosure, all outstanding legal proceedings, including any litigation or arbitration proceedings involving the Company, Directors, Promoters, Subsidiaries (together, “**Relevant Parties**”), other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax proceedings have been considered ‘material’ if:

- a. 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 of the Company as per the last restated consolidated financial statements for the full year. As per the Restated Consolidated Financial Information, 1% of the profit after tax for the Financial Year 2023 was ₹3.84 million. Therefore, ₹3.84 million has been considered as the materiality threshold (the “**Materiality Threshold**”);
- b. where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Materiality Amount; or
- c. the outcome of such pending litigation 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.

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.

Further, in accordance with the SEBI ICDR Regulations, in relation to litigation involving Group Companies, the Company is required to disclose only such pending litigation which has a material impact on the Company. The outstanding litigation involving the Group Companies, which may have a material impact on the Company have been considered for disclosure based on the certifications received from respective Group Companies of the Company. There is no litigation involving the Group Companies that could have a material impact on the Company.

Pursuant to the SEBI ICDR Regulations and the materiality policy adopted by the Board on September 15, 2023, for the purposes of disclosures in the DRHP, any creditor of the Company, outstanding dues to whom exceed ₹ 7.92 million, being 5% of the total consolidated outstanding dues (i.e. trade payables) of the Company as at the date of the latest Restated Consolidated Financial Information, has been considered material. Consolidated disclosure on the dues to (a) creditors that are micro, small and medium enterprises; and (b) other creditors have been provided



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in a summary format (indicating the total number of, and aggregate outstanding amounts due to such creditors). The details pertaining to outstanding dues towards the material creditors are available on the website of the Company at <https://krystal-group.com/investor/>. It is clarified that such details available on the website do not form a part of the Draft Red Herring Prospectus.

**4. *Promoters (including the Promoter Selling Shareholder), Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel, Subsidiaries and Group Companies***

For the purposes of making certain disclosures with respect to the Promoters (including the Promoter Selling Shareholder), Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel, Subsidiaries, and Group Companies, we have obtained consents and certifications from the relevant entities/ persons. We also interacted with the relevant parties to assist them to understand the requirements of law and disclosures.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management Personnel of the Company, we have relied on degree certificates, experience certificates, MCA information for directorships, and appointment letters issued by previous and current employers and other back-up documents.

We have received confirmation from the Company, the Promoters (including the Promoter Selling Shareholder), Promoter Group and the Directors stating that they have not been debarred or prohibited from accessing the capital markets or 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. In addition, we have received confirmation from the Company, Promoters (including the Promoter Selling Shareholder) and Directors stating that they have not been categorized as wilful defaulters or fraudulent borrowers as per the definition in SEBI ICDR Regulations. We have also received confirmation from the Company, the Promoters (including the Promoter Selling Shareholder) and the Directors that none of the Promoters or Directors are 'fugitive economic offenders' as per the definition in SEBI ICDR Regulations. We have also received confirmations from the Company, the Promoters (including the Promoter Selling Shareholder) and members of Promoter Group in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as on date of the DRHP, to the extent applicable to them in relation to the Company.

Further, confirmations have been obtained from Directors that (a) they are not directors on the board of other listed companies whose shares have been / were suspended from being traded on BSE Limited and/or National Stock Exchange of India Limited during their tenure for a period of five years before the date of filing the DRHP, and (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange.



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The Group Companies were identified in accordance with the SEBI ICDR Regulations and the Company's materiality policy approved by the Board of Directors of the Company on September 15, 2023.

#### 5. *Financial information of the Company and financial indebtedness*

As a part of our diligence, we had interactions and due diligence calls with the Statutory Auditors, discussions with the finance department of the Company, review of the Statutory Auditors' examination report, Auditors certificates, and other related documents. The Statutory Auditor has examined the Restated Consolidated Financial Information of the Company, prepared in accordance with 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 provided an examination report thereon. We reviewed the Restated Consolidated Financial Information of the Company and the examination report issued thereon by the Statutory Auditor and obtained certifications with respect to certain information included in the DRHP from the Statutory Auditor. We held discussions with the Statutory Auditor on the form and manner of the reports and certifications required for such financial information.

Further, the Statutory Auditor was also required to review the financial information relating to the Company in the DRHP in the relevant periods and have delivered customary comfort letter to the BRLM confirming the accuracy of such financial information contained in the Company. Such comfort letters will be re-issued or brought down at certain future dates, as the Offer progresses, by the Statutory Auditor, prior to the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Offer.

We have received the certificate provided by the Statutory Auditor on computation of the Company's net worth, pre-tax operating profit, net tangible assets, monetary assets, and monetary assets as a percentage of net tangible assets on a restated and consolidated basis for Fiscal 2021, 2022 and 2023 to assess eligibility of the Company to undertake the Offer under Regulation 6(1) of the SEBI ICDR Regulations.

We had also conducted a due diligence exercise of all outstanding financial indebtedness of the Company (on a consolidated basis), and such information (including principal terms of borrowings) has been disclosed in summarised form in the section titled "*Financial Indebtedness*" of the DRHP. In this connection, we have reviewed the relevant sanction letters issued by the lenders as well as other financing related documents. We have also relied on a certification from the Statutory Auditors in connection with the Company's financial indebtedness, on a consolidated basis, ascertaining the amount of outstanding borrowings of the Company as of August 31, 2023,



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which is disclosed in the section titled “*Financial Indebtedness*” of the DRHP. The Company has received consents from relevant lenders, granting written consent to undertake the Offer and related corporate actions such as issue and allotment of the Equity Shares and amendment in the constitutional documents of the Company, amongst others.

The Company does not have any material Subsidiary as per the SEBI ICDR Regulations. Further, in accordance with the SEBI ICDR Regulations, the prescribed financial information in relation to the Group Companies for the previous three Fiscals, extracted from their respective audited financial statements (as applicable) will be available, on their respective websites as indicated in the DRHP. However, please note that Navagunjara Finance Private Limited and Krystal Aviation Services Private Limited, do not have their own websites. Accordingly, details of prescribed financial information for such Group Companies, extracted from its respective audited financial statements (as applicable), are available at the website of our Company indicated in the DRHP.

We have also relied on the statement of special tax benefits available to the Company and its shareholders issued by the Statutory Auditor.

## 6. *Statutory and/or Regulatory and Other Diligence*

In connection with due diligence of statutory and/or regulatory matters, we have, along with the Legal Counsel, reviewed the relevant statutory and/or regulatory records of the Company, including without limitation, relevant corporate records, filings made by the Company with various key statutory and/or regulatory authorities, licenses, approvals and registrations applied for and/or received by the Company and such other documents as we have deemed necessary and as have been provided to us by the Company from time to time and have made suitable disclosures, as prescribed, in relation to relevant findings, including in relation to certain corporate records pertaining to capital structure. We have also relied on representations and certifications provided by the Company in connection with such statutory and/or regulatory matters.

We, along with the Legal Counsel, have also regularly interacted with the officials of the Company to understand the approvals that are required to be obtained by the Company to carry out its business, followed by a due diligence exercise of such approvals and review of lease agreements.

The description of the approvals required for the business operations and disclosure of such approvals in respect of which applications have been made has been disclosed in the DRHP. We have appropriately disclosed details of such approvals in the sections titled “*Government and Other Approvals*” and “*Risk Factors*” on pages 355 and 34 of the DRHP, respectively.

## 7. *Basis for Offer Price*

The Company has taken note of the amendments to the SEBI ICDR Regulations notified on November 23, 2022, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022. In this regard, suitable



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disclosures have been made in relation to key performance indicators of the Company in the section titled “*Basis for Offer Price*” and other relevant sections in the DRHP. Such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated September 27, 2023.

The certificate dated September 27, 2023, issued by the Independent Chartered Accountants in relation to the KPIs is included in the section “*Material Contracts and Documents for Inspection*” on page 407 of the DRHP.

#### 8. *Objects of the Offer*

The Company proposes to utilize the Net Proceeds from the Fresh Issue towards: (i) repayment/prepayment, in full or part, of certain borrowings availed of by the Company; (ii) funding working capital requirements of the Company; (iii) funding capital expenditure for purchase of new machinery, and (iv) general corporate purposes.

As disclosed in the DRHP, the Company is seeking to prepay a term loan availed from Mumbai District Central Co-operative Bank Limited, registered under the Maharashtra Co-Operative Societies Act, 1960, which is a related party 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 loan proposed to be repaid/ prepaid from the Net Proceeds for the purpose it was availed for, as at August 31, 2023.

We have also obtained a certificate dated September 27, 2023 from the Independent Chartered Accountant, certifying details of working capital of the Company as on March 31, 2023, March 31, 2022 and March 31, 2021, as well as the details of estimated working capital requirements of the Company for financial years ended March 31, 2024 and March 31, 2025, in each case on a standalone basis. The Company has obtained valid quotations in relation to the object on capital expenditure for purchase of new machinery. Further, we also obtained a certificate dated September 16, 2023 from the Independent Chartered Engineer in connection with the details of the machinery proposed to be purchased by the Company from the Net Proceeds of the Offer, including estimated cost thereto.

Adequate disclosures in accordance with the SEBI ICDR Regulations have been included for each of the above-mentioned objects of the Offer. For details, please refer to the “*Objects of the Offer*” section of the DRHP. Further, the Promoter Selling Shareholder will be entitled to proceeds from the Offer for Sale after deducting its proportion of Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale.

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## **APPENDIX B**

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

*[Attached separately.]*