

INDEPENDENT AUDITORS' REPORT

To The Members of
Krystal Ingredients Private Limited

Report on the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Krystal Ingredients Private Limited** ("the Company"), which comprise the balance sheet as at **March 31, 2025**, and the statement of profit and loss (including other comprehensive income), statement of cash flow for the year then ended, statement of changes in equity, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

3. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. The Director's 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 will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditors Responsibilities Relating to Other Information".

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

4. 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 state of affairs, profit/loss and other comprehensive income, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

5. 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 auditor's 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 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 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 management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director's use of the going concern basis of accounting in preparation of financial statements 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 auditor's 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

6. 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 purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matter stated in the paragraph 6(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The balance sheet, the statement of profit and loss (including other comprehensive loss), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account;



- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 I".
- g. With respect to the other matters to be included in the Auditor's Report pursuant to the requirements of Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations provided to us, the provisions of Section 197 of the Act are not applicable for the year ended March 31, 2025, as no remuneration has been paid to any of the directors during the said year.
- h. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 6(b) above on reporting under Section 143(3)(b) of the Act and paragraph 6(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- i. 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.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

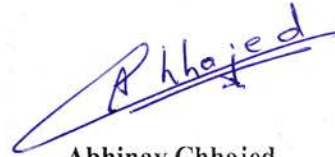
v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except at the database level to log any direct data changes to the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

7. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure II** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For CHHAJED & DOSHI
Chartered Accountants
Firm Registration No.: 101794W



Abhinav Chhajed
Partner

Membership No.: 196452

UDIN: 2519 6452 8MNVZH 1811



Place: Mumbai
Date: May 28, 2025

Annexure I to the Independent Auditors' Report

(Referred to in our report of even date)

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

1. We have audited the internal financial controls over financial reporting of **Krystal Ingredients Private Limited**) ("the Company"), as at March 31, 2025 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

2. 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Act, to the extent applicable to an audit of internal financial controls, with reference to financial statements. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting 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:
- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 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 authorisations of management and directors of the company; and
 - provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the ICAI.

Place: Mumbai
Date: May 28, 2025

For CHHAJED & DOSHI
Chartered Accountants
Firm Registration No.: 101794W



Abhinav Chhajed
Partner

Membership No.: 196452
UDIN: 25196452BMNVZH1811



**Annexure II to the Independent Auditors' Report
(Referred to in our report of even date)**

According to the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program for physical verification of its property, plant and equipment once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on verification of records provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company (other than properties where the Company is the lessee and the lease arrangements are duly executed in favour of the lessee).
- (d) The Company has not revalued its property, plant and equipment including right of use assets or intangible assets during the year.
- (e) As per the information and explanation provided to us no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) In our opinion and according to the information and explanations given to us, the inventories, except goods-in-transit has been physically verified during the year by the management. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. However, the company has not utilized any amount of these sanctioned limits during the year. Consequently, the Company has not submitted any quarterly statements or returns to the banks or returns to the banks or financial institutions in relation to these working capital limits.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause (iii) (a), (b), (c), (d), (e) and (f) of the said Order is not applicable to the Company.
- (iv) The Company has not given any loans, or provided any guarantee or security or made any investments as specified under section 185 & 186 of the Companies Act, 2013 ("the Act").



- (v) The Company has not accepted deposits from public hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under and reporting under clause (v) of the said Order is not applicable to the Company.
- (vi) The Maintenance of cost records under sub-section (1) of section 148 of the Act is not applicable to the company and hence reporting under clause (vi) of the said Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services tax, Customs duty and other material statutory dues as applicable to the company, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Services tax, Customs duty, Excise duty and other material statutory dues were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and the records of the Company, there have been no dues in respect of Sales Tax, Income Tax, Value Added Tax, Custom Duty, Excise Duty, Goods & Services tax and Service Tax etc. which have not been deposited on account of any dispute.
- (viii) According to information and explanations given to us and on the basis of examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us the Company has not raised funds on short term basis during the year and hence reporting under clause (ix)(d) of the said Order is not applicable to the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



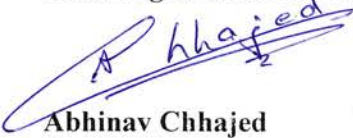
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) during the year and hence reporting under clause (x)(b) of Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year. We have not been informed of any such case by the management.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- (c) According to information and explanation given to us by the management, no whistle blower complains were received during the year by the Company.
- (xii) The company is not a Nidhi Company, thus reporting requirement under clause (xii) of the said Order is not applicable.
- (xiii) According to the information and explanations given to us and in our opinion, all the transactions with the related parties as defined under the Act are in compliance with provisions of sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company does not have an Internal Audit system and is not required to have an internal audit system as per section 138 of the Act.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary companies or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under Clause 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC, and therefore reporting under clause (xvi)(d) of the Order is not applicable to the Company.



- (xvii) The Company has incurred cash losses amounting to Rs. 42,904.42 (in thousands) during the financial year covered by our audit and Rs. 18,448.62 (in thousands) in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause (xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of section 135 of the Act are not applicable to the Company. Accordingly, clauses (xx)(a) and (xx)(b) of the order are not applicable.

Place: Mumbai
Date: May 28, 2025

For CHHAJED & DOSHI
Chartered Accountants
Firm Registration No.: 101794W


Abhinav Chhajed
Partner

Membership No.: 196452

UDIN: 25196452BMNVZH1811



Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Balance Sheet as at March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Note | As at March 31, 2025 | As at March 31, 2024 |
|---|--------|-------------------------|-------------------------|
| ASSETS | | | |
| (A) Non-current assets | | | |
| (a) Property, plant and equipment | (3)(a) | 92,301.52 | 42,379.17 |
| (b) Right-of-use asset | (4) | 85,172.99 | 86,135.38 |
| (c) Capital work in progress | (3)(b) | 12,13,904.97 | 2,87,702.63 |
| (d) Other intangible assets | (3)(c) | 490.48 | 358.80 |
| (e) Financial assets | | | |
| (i) Other financial assets | (10) | 13,363.87 | 5,835.16 |
| (f) Deferred tax assets (net) | (6) | 13,326.80 | 4,870.44 |
| (g) Income tax assets | | 114.33 | 310.47 |
| (h) Other non-current assets | (7) | 28,176.24 | 27,394.75 |
| Total non-current assets | | 14,46,851.20 | 4,54,986.80 |
| (B) Current assets | | | |
| (a) Inventories | (8) | 35,515.06 | 852.35 |
| (b) Financial assets | | | |
| (i) Trade Receivables | (5) | 15,948.26 | 1,311.39 |
| (ii) Cash and cash equivalents | (9)(a) | 3,359.24 | 385.56 |
| (iii) Bank balances other than (ii) above | (9)(b) | 5,273.96 | - |
| (iv) Other financial assets | (10) | 54.00 | 87.32 |
| (c) Other current assets | (7) | 1,15,635.55 | 9,262.79 |
| Total Current assets | | 1,75,786.07 | 11,899.41 |
| TOTAL ASSETS | | 16,22,637.27 | 4,66,886.21 |
| EQUITY AND LIABILITIES | | | |
| (A) Equity | | | |
| (a) Equity share capital | (11) | 100.00 | 100.00 |
| (b) Other equity | (12) | (75,899.63) | (34,198.79) |
| Total equity | | (75,799.63) | (34,098.79) |
| (B) Liabilities | | | |
| (I) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | (13) | 14,96,842.06 | 4,29,032.50 |
| Total non-current liabilities | | 14,96,842.06 | 4,29,032.50 |
| (II) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | (13) | 1,16,109.35 | 31,483.71 |
| (ii) Trade payables | (15) | | |
| 1. Total outstanding dues of micro enterprises and small enterprises | | 28,534.85 | 9,368.01 |
| 2. Total outstanding dues of creditors other than micro enterprises and small enterprises | | 50,555.73 | 28,882.40 |
| (iii) Other financial liabilities | (14) | 1,479.99 | 297.68 |
| (b) Other current liabilities | (16) | 4,914.92 | 1,920.70 |
| Total current liabilities | | 2,01,594.84 | 71,952.50 |
| TOTAL EQUITY AND LIABILITIES | | 16,22,637.27 | 4,66,886.21 |

Material accounting policies

The accompanying notes from 1 to 40 form an integral part of the financial statements.

As per our report of even date

For Chhajed & Doshi

Chartered Accountants
Firm's Registration No.: 101794W

ABHINAV
UTTAMCHAN
D CHHAJED
Date: 2025.05.28
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CA Abhinav Chhajed

Partner
Membership Number: 196452
Place : Mumbai
Date : 28-05-2025

For and on behalf of the Board of Directors of
Krystal Ingredients Private Limited
CIN: U24299MH2021PTC359408

KAKSHA
VIPUL
PAREKH
Kaksha Parekh
Director
DIN : 00235998
Place : Mumbai
Date : 28-05-2025

YASH
PAREKH
H
Yash Parekh
Director
DIN : 03514313
Place : Mumbai
Date : 28-05-2025

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Statement of Profit and Loss for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Note | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|------|------------------------------|------------------------------|
| (1) INCOME | | | |
| (a) Revenue from operations | (17) | 29,027.46 | 1,111.35 |
| (b) Other Income | (18) | 339.27 | - |
| TOTAL INCOME | | 29,366.73 | 1,111.35 |
| (2) EXPENSES | | | |
| (a) Cost of materials consumed | (19) | 29,375.52 | 1,508.00 |
| (b) Changes in inventories of finished goods and work-in-progress | (20) | (2,536.20) | (439.38) |
| (c) Employee benefits expense | (21) | 3,739.91 | 320.96 |
| (d) Finance costs | (22) | 32,138.11 | 13,986.93 |
| (e) Depreciation and amortisation expenses | (23) | 6,952.75 | 1,344.95 |
| (f) Other expenses | (24) | 9,853.83 | 4,183.46 |
| TOTAL EXPENSES | | 79,523.92 | 20,904.92 |
| (3) Profit before tax (1-2) | | (50,157.19) | (19,793.57) |
| (4) Tax expense | | | |
| (a) Current tax | | - | - |
| (b) Deferred tax charge/(credit) | | (8,456.35) | 211.57 |
| Total tax expense | | (8,456.35) | 211.57 |
| (5) Profit /(Loss) for the year (3-4) | | (41,700.84) | (19,582.00) |
| (6) Other comprehensive income /(loss) | | | |
| (i) Items that will be reclassified to profit / (loss) | | - | - |
| (ii) Items that will not be reclassified subsequently to profit / (loss) | | - | - |
| Total other comprehensive income /(loss) for the year | | - | - |
| (7) Total comprehensive income /(loss) for the year (5+6) | | (41,700.84) | (19,582.00) |
| Earnings per equity share of face value of ₹ 10 each | (31) | | |
| (i) Basic (in ₹) | | (4,170.08) | (1,958.20) |
| (ii) Diluted (in ₹) | | (4,170.08) | (1,958.20) |

Material accounting policies (2)
The accompanying notes from 1 to 40 form an integral part of the financial statements.

As per our report of even date

For Chhajed & Doshi
Chartered Accountants
Firm's Registration No.: 101794W

ABHINAV
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by ABHINAV
UTTAMCHAND
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Date: 2025.05.28
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CA Abhinav Chhajed
Partner
Membership Number: 196452
Place : Mumbai
Date : 28-05-2025

For and on behalf of the Board of Directors of
Krystal Ingredients Private Limited
CIN: U24299MH2021PTC359408

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Kaksha Parekh
Director
DIN : 00235998
Place : Mumbai
Date : 28-05-2025

YASH
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Yash Parekh
Director
DIN : 03514313
Place : Mumbai
Date : 28-05-2025

Statement of Cash flows for the year ended March 31, 2025

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|------------------------------|------------------------------|
| (A) Cashflows from operating activities | | |
| Profit before tax | (50,157.19) | (19,793.57) |
| Adjustment for: | | |
| Depreciation and amortisation charge | 5,990.36 | 379.91 |
| Amortisation of right-of-use assets | 962.39 | 965.03 |
| Sundry balances written back | 119.00 | - |
| Interest income | 196.22 | - |
| Finance costs | 32,137.52 | 13,910.74 |
| Operating cash flow before working capital changes | (10,751.70) | (4,537.89) |
| Adjustment for changes in working capital: | | |
| (Increase)/Decrease in inventories | (34,662.71) | (852.35) |
| (Increase) in trade receivables | (14,636.87) | (1,311.39) |
| (Increase) / Decrease in other assets | (1,06,339.45) | (5,808.28) |
| Increase / (Decrease) in trade payables | 40,840.18 | 38,129.30 |
| Increase / (Decrease) in other liabilities | 4,057.53 | 1,058.71 |
| Cash generated from operations | (1,21,493.02) | 26,678.10 |
| Taxes paid (net of refunds) | 196.13 | (310.47) |
| Net cashflows from operating activities | (1,21,296.89) | 26,367.63 |
| (B) Cashflows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (9,82,246.73) | (3,30,036.65) |
| Bank Deposit (placed)/matured | (5,470.18) | - |
| Security Deposits placed with authorities | (7,528.70) | (1,173.68) |
| Capital advance given | (781.50) | (26,894.75) |
| Net cashflows from investing activities | (9,96,027.11) | (3,58,105.08) |
| (C) Cashflows from financing activities | | |
| Proceeds from non-current borrowings | 12,09,413.91 | 3,35,561.21 |
| Repayment of non - current borrowings | (78,945.46) | |
| Interest paid | (10,170.77) | (3,627.27) |
| Net cashflows from financing activities | 11,20,297.68 | 3,31,933.94 |
| | | |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 2,973.68 | 196.49 |
| | | |
| Cash and cash equivalents at the beginning of the year | 385.56 | 189.07 |
| Cash and cash equivalents at the end of the year | 3,359.24 | 385.56 |
| | | |
| Cash and cash equivalents comprise of: | | |
| Cash on hand | 682.97 | 48.06 |
| Balance with banks: | | |
| In current accounts | 2,676.27 | 337.50 |
| Total cash and cash equivalents | 3,359.24 | 385.56 |

The accompanying notes from 1 to 40 form an integral part of the financial statements.

The cashflow statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) 'Statement of cash flows' as specified under section 133 of the Companies Act, 2013.

Date : 28-05-2025

Date : 28-05-2025

Date : 28-05-2025

Statement of Changes in Equity for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Amount |
|---|---------------|
| Balance as at April 01, 2024 | 100.00 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2025 | 100.00 |
| Balance as at April 01, 2023 | 100.00 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2024 | 100.00 |

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Retained earnings | Total equity |
|-------------------------------------|--------------------|--------------------|
| Balance as at April 01, 2024 | (34,198.79) | (34,198.79) |
| Profit / (Loss) for the year | (41,700.84) | (41,700.84) |
| Balance as at March 31, 2025 | (75,899.62) | (75,899.62) |
| Balance as at April 01, 2023 | (14,616.79) | (14,616.79) |
| Profit / (Loss) for the year | (19,582.00) | (19,582.00) |
| Balance as at March 31, 2024 | (34,198.79) | (34,198.79) |

(a) Retained earnings: Retained earnings are the profits/(loss) that the Company has earned/(incurred) till date net of appropriations.

The accompanying notes from 1 to 40 form an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Digitally signed by YASH PAREKH
DN: cn=Yash, o=Personal, c=IN, email=6970302@
Phone: 91 5296876046, email=2700048@136d2c32
023b27a5f85dc057e110a1040b0,
PostalCode=400077, st=Maharashtra,
SerialNumber=60,
email=6970302@114a441eaa5742abae0411
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Date: 2025.05.28 12:32:36 +05'30'
Email: PDF Editor Version: 2024.1.0

Kaksha Parekh

Director

DIN : 00235998

Place : Mumbai

Date : 28-05-2025

Yash Parekh

Director

DIN : 03514313

Place : Mumbai

Date : 28-05-2025

(1) Corporate information

Krystal Ingredients Private Limited is a Private Limited Company incorporated on 22nd April, 2021 under the provisions of the Companies Act 2013. The company is a wholly owned subsidiary of Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) having its registered office in the state of Maharashtra. The Company is in the business of manufacturing of natural identical / synthetic products, including those with application in the Flavour & Fragrance industry, and specialty chemicals.

(2) Material accounting policies

(2.01) Statement of compliance

These Financial Statements of the Company comprising the Balance Sheet as at March 31, 2025, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the year ended March 31, 2025, and a summary of material accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) ("Ind AS") under Section 133 of the Companies Act, 2013 (the 'Act'), presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act.

(2.02) Basis of preparation and Presentation

Basis of Presentation

The Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All amounts have been rounded off to two decimals to the nearest thousands, unless otherwise stated.

(2.03) Significant accounting estimates, judgements and assumptions

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future period affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts Recognized in the financial statements:

a. Useful lives of property, plant and equipment and intangible assets: Determination of the estimated useful life of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether as asset may be capitalized and which components of the cost of the assets may be capitalized.

b. Contingencies: Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claims/ litigations against company as it is not possible to predict the outcome of pending matters with accuracy.

c. Fair value measurements and valuation processes : Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Estimation of defined benefit plans : The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

e. Impairment of property, plant and equipment and intangible assets : At each balance sheet date the company assesses whether there is any indication of impairment of the carrying amount for each class of the property, plant and equipment, intangible assets and investments. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(2.04) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities 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.

(2.05) Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, borrowing cost, directly attributable costs of bringing the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

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.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in line with revisions to accounting estimates.

Depreciation

Depreciation on property, plant and equipment is provided on written down value method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Depreciation commences when the assets are ready for their intended use. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the statement of profit and loss.

The estimated useful lives are as follows :

| Assets | Useful life (years) |
|--------------------------|---------------------|
| Building | 30 |
| Plant and Machinery | 15 |
| Furnitures and Fixtures | 10 |
| Electrical Installation | 10 |
| Vehicles | 8 to 10 |
| Factory/Office Equipment | 5 |
| Computers | 3 to 6 |

(2.06) Intangible Assets

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses. Amortisation is recognised in profit or loss on a diminishing balance method over the estimated useful lives of respective intangible assets.

The estimated useful lives are as follows :

| Assets | Useful life (years) |
|-------------------|---------------------|
| Computer Software | 3 |

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(2.07) Impairment of property, plant and equipment and intangible assets

At each balance sheet date the company assesses whether there is any indication of impairment of the carrying amount for each class of the property, plant and equipment, intangible assets and investments. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(2.08) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value due to short term maturity of these instruments.

The Company recognises the transfer between the levels of fair value hierarchy at the end of the reporting period during which the changes has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Quantitative disclosures of fair value measurement hierarchy (Note 26)
- ▶ Financial instruments (including those carried at amortised cost) (Note 26)

(2.09) Revenue

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

Sale of products:

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Interest income:

Interest income is accounted on accrual basis.

(2.10) Inventories

Inventories are valued at the lower of cost (including purchase cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

Raw materials, packing materials and stores and spares are valued at cost computed by First In First Out method (FIFO) . The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Finished goods produced and work-in-progress are carried at lower of net realisable value and cost (including purchase cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a FIFO.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(2.11) Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is recognised using balance sheet approach at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits 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 assets to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in a year when asset is realised or the liability is expected to be settled based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(2.12) Provisions and Contingent Liabilities

Provisions:

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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 Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability but discloses its existence in the Financial statements.

(2.13) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.09 for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income (FVOCI) with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

A 'financial asset' is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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. The Company's financial assets at amortised cost includes loans and other financial assets.

A 'financial asset' is measured at FVOCI if both the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 'Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes investments in mutual funds. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from a Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its right to receive cash flows from the asset and either :

- (a) the Company has transferred substantially all the risks and rewards of the asset,
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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.

Offsetting 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.

(2.14) Leases

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of the contract. 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. 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 Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The Company as a lessee

At the date of commencement of the lease, the Company recognises 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 Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

The Company does not have any lease contracts wherein it acts as a lessor.

(2.15) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise of cash balances at banks, cash on hand and demand deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents includes cash on hand, cash at bank, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(2.16) Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(2.17) Earnings Per Share

Basic earnings per share is 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 Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. For the purpose of calculating diluted earnings per share, the net profit 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.

(2.18) Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker i.e. Mr. Yash Parekh (Director) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

(2.19) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

During the year, the MCA has notified amendments to Ind AS 116 for sale and lease back transactions and notified new accounting standard Ind-AS 117 Insurance Contracts replacing Ind-AS 104 subsequent to 31.03.2024 but applicable from 01.04.2024.

The above notifications have no impact on the Financial Statements of the company.

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Notes to the financial statements for the year ended March 31, 2025

(3)(a) Property, plant and equipment

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Building | Plant and Machinery | Furnitures and Fixtures | Electrical Installation | Vehicles | Office Equipments | Computers | Total |
|---|------------------|---------------------|-------------------------|-------------------------|-----------------|-------------------|---------------|------------------|
| Gross carrying amount (at cost) | | | | | | | | |
| As at April 01, 2024 | 31,037.35 | 10,567.23 | 6.30 | 678.10 | 79.50 | 219.66 | 77.12 | 42,665.26 |
| Additions | 36,466.48 | 3,500.00 | 7,121.98 | 3,666.88 | 2,017.52 | 2,238.88 | 424.50 | 55,436.24 |
| Disposals | - | - | - | - | - | - | - | - |
| As at March 31, 2025 | 67,503.83 | 14,067.23 | 7,128.28 | 4,344.98 | 2,097.02 | 2,458.54 | 501.62 | 98,101.50 |
| Accumulated depreciation | | | | | | | | |
| As at April 01, 2024 | 153.07 | 73.12 | 0.20 | 39.34 | 6.69 | 13.00 | 0.67 | 286.09 |
| Charge for the year | 2,943.50 | 1,928.94 | 36.02 | 167.98 | 89.55 | 280.51 | 67.39 | 5,513.89 |
| On disposals | - | - | - | - | - | - | - | - |
| As at March 31, 2025 | 3,096.57 | 2,002.06 | 36.23 | 207.32 | 96.24 | 293.51 | 68.06 | 5,799.98 |
| | | | | | | | | |
| Net carrying amount as at March 31, 2025 | 64,407.26 | 12,065.17 | 7,092.05 | 4,137.66 | 2,000.78 | 2,165.03 | 433.56 | 92,301.52 |
| | | | | | | | | |
| Gross carrying amount (at cost) | | | | | | | | |
| As at April 01, 2023 | - | - | - | - | - | - | - | - |
| Additions | 31,037.35 | 10,567.23 | 6.30 | 678.10 | 79.50 | 219.66 | 77.12 | 42,665.26 |
| As at March 31, 2024 | 31,037.35 | 10,567.23 | 6.30 | 678.10 | 79.50 | 219.66 | 77.12 | 42,665.26 |
| Accumulated depreciation | | | | | | | | |
| As at April 01, 2023 | - | - | - | - | - | - | - | - |
| Charge for the year | 153.07 | 73.12 | 0.20 | 39.34 | 6.69 | 13.00 | 0.67 | 286.09 |
| On disposals | - | - | - | - | - | - | - | - |
| As at March 31, 2024 | 153.07 | 73.12 | 0.20 | 39.34 | 6.69 | 13.00 | 0.67 | 286.09 |
| | | | | | | | | |
| Net carrying amount as at March 31, 2024 | 30,884.28 | 10,494.11 | 6.10 | 638.76 | 72.81 | 206.66 | 76.45 | 42,379.17 |

(i) The Company holds immovable properties in its own name.

(ii) The Company has not revalued its Property, Plant and Equipment during the year.

(iii) The net carrying amount of Property, Plant and Equipment amounting to ₹ 92,301.52 thousand (March 31, 2024 : ₹ 42,379.17 thousand) are pledged as security to banks providing term loans and working capital loans. (refer note 30)

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Notes to the financial statements for the year ended March 31, 2025

(3)(b) Capital work in progress

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Amount |
|-----------------------------|---------------------|
| As at April 01, 2024 | 2,87,702.63 |
| Incurred during the year* | 9,66,168.82 |
| Capitalised during the year | (39,966.48) |
| As at March 31, 2025 | 12,13,904.97 |
| As at April 01, 2023 | 783.87 |
| Incurred during the year* | 3,28,523.35 |
| Capitalised during the year | (41,604.59) |
| As at March 31, 2024 | 2,87,702.63 |

*Amount included under CWIP is primarily related to Building and Plant and Machinery which is under construction.

CWIP Ageing Schedule

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---------------------------------------|--------------------------------|-------------|-----------|-----------|--------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| March 31, 2025 - Projects in Progress | 9,32,319.36 | 2,81,585.61 | - | - | 12,13,904.97 |
| March 31, 2024 - Projects in Progress | 2,86,918.76 | 783.87 | - | - | 2,87,702.63 |

Note : There is no overrun of cost or delay in projects in process as per the Company's plan.

(3)(c) Other Intangible Assets

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Computer Softwares |
|---|--------------------|
| Gross carrying amount (at cost) | |
| As at April 01, 2024 | 452.63 |
| Additions | 608.15 |
| Disposals | - |
| As at March 31, 2025 | 1,060.78 |
| Amortisation | |
| As at April 01, 2024 | 93.83 |
| Charge for the year | 476.47 |
| On disposals | - |
| As at March 31, 2025 | 570.30 |
| Net carrying amount as at March 31, 2025 | 490.48 |
| Gross carrying amount (at cost) | |
| As at April 01, 2023 | |
| Additions | 452.63 |
| Disposals | - |
| As at March 31, 2024 | 452.63 |
| Amortisation | |
| As at April 01, 2023 | |
| Charge for the year | 93.83 |
| On disposals | - |
| As at March 31, 2024 | 93.83 |
| Net carrying amount as at March 31, 2024 | 358.80 |

(i) The Company has not revalued its other intangible assets during the year.

(4) Right-of-use assets

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Amount |
|---|------------------|
| Gross carrying amount | |
| As at April 01, 2024 | 88,827.44 |
| Additions | - |
| Disposals | - |
| As at March 31, 2025 | 88,827.44 |
| Accumulated depreciation | |
| As at April 01, 2024 | 2,692.06 |
| Charge for the year | 962.39 |
| On disposals | - |
| As at March 31, 2025 | 3,654.45 |
| Net carrying amount as at March 31, 2025 | 85,172.99 |
| Gross carrying amount | |
| As at April 01, 2023 | 88,827.44 |
| Additions | - |
| Disposals | - |
| Reclassification | |
| As at March 31, 2024 | 88,827.44 |
| Accumulated depreciation | |
| As at April 01, 2023 | 1,727.03 |
| Charge for the period | 965.03 |
| On disposals | - |
| As at March 31, 2024 | 2,692.06 |
| Net carrying amount as at March 31, 2024 | 86,135.38 |

Note:

1. Comprises of leasehold land.

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Notes to the financial statements for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----|--------------------------------|-------------------------|-------------------------|
| (5) | Trade receivables | | |
| | Unsecured, considered good | 15,948.26 | 1,311.39 |
| | Total trade receivables | 15,948.26 | 1,311.39 |

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------|-------------------------|-------------------------|
|--|-------------|-------------------------|-------------------------|

Undisputed trade receivables – considered good

| | <u>March 31, 2025</u> | <u>March 31, 2024</u> |
|--------------------------------|-----------------------|-----------------------|
| - Not due | 4,096.96 | 1,311.39 |
| - Less than 6 Months | 11,851.30 | - |
| - 6 months – 1 year | - | - |
| - 1-2 years | - | - |
| - 2-3 years | - | - |
| - More than 3 years | - | - |
| Total trade receivables | 15,948.26 | 1,311.39 |

(6) Deferred tax assets (net)

Significant components of deferred tax assets (net)

Deferred tax assets

Disallowance under section 43B of Income Tax Act, 1961

Carry forward losses

5.08 90.11

14,009.35 5,147.14

Deferred tax liabilities

Difference between book and tax value of property, plant and equipment and intangible assets

(687.63) (366.81)

Total deferred tax assets

13,326.80 4,870.44

Movements in deferred tax assets/(liabilities)

| Particulars | Disallowance under section 43B of Income Tax Act, 1961 | Property, plant & equipment and intangible assets | Carryforward losses | Total |
|---------------------------------|--|---|---------------------|------------------|
| At April 1, 2024 | 90.11 | (366.81) | 5,147.14 | 4,870.44 |
| (Charged) / Credited | | | | |
| - to profit or loss | (85.03) | (320.82) | 8,862.21 | 8,456.36 |
| At March 31, 2025 | 5.08 | (687.63) | 14,009.35 | 13,326.80 |
| At April 1, 2023 | - | - | 4,658.86 | 4,658.86 |
| (Charged) / Credited | - | - | | |
| - to profit or loss | 90.11 | (366.81) | 488.28 | 211.58 |
| - to other comprehensive income | | | | |
| At March 31, 2024 | 90.11 | (366.81) | 5,147.14 | 4,870.44 |

-

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------|-------------------------|-------------------------|
|--|-------------|-------------------------|-------------------------|

(7) Other assets

Non-current assets

Capital advances*

28,176.24 27,394.75

Total non-current assets

28,176.24 27,394.75

*Pertains to advances given for acquisition and construction of Property, Plant and Equipment

Current assets

Prepaid expenses

1,265.16 2,239.05

Advances to vendors

160.30 73.92

Balances with government authorities

1,14,210.09 6,949.82

Total current assets

1,15,635.55 9,262.79

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Notes to the financial statements for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (8) Inventories | | |
| Raw Materials | 32,327.17 | 318.00 |
| Work in Progress | 2,975.58 | 347.01 |
| Finished Goods | - | 92.37 |
| Stores & Spares and Other Materials | 212.31 | 94.97 |
| Total Inventories | 35,515.06 | 852.35 |
| (i) The mode of valuation of inventories has been stated in note 2.10 of material accounting policies | | |
| (ii) Cash credit and other short-term loan from bank facility are secured by first pari passu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 30). | | |
| (9)(a) Cash and cash equivalents | | |
| Cash on hand | 682.97 | 48.06 |
| Balances with banks | | |
| In current accounts | 2,676.27 | 337.50 |
| Total Cash and cash equivalents | 3,359.24 | 385.56 |
| (9)(b) Bank balances other than cash and cash equivalents | | |
| Bank deposits (with original maturity of more than three months but less than twelve months)* | 5,273.96 | - |
| Total bank balances other than cash and cash equivalents | 5,273.96 | - |
| *Bank Deposit has been marked lien towards bank guarantee | | |
| (10) Other financial assets | | |
| <i>Non-current financial assets</i> | | |
| Security deposits | 13,363.87 | 5,835.16 |
| Total non-current financial assets | 13,363.87 | 5,835.16 |
| <i>Current financial assets</i> | | |
| Security deposits | 54.00 | 87.32 |
| Total current financial assets | 54.00 | 87.32 |

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Notes to the financial statements for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| | | |
| (11) Equity share capital | | |
| <i>Authorised</i> | | |
| March 31, 2025: 2,000,000 [March 31, 2024: 20,00,000] equity shares of face value ₹ 10 each | 20,000.00 | 20,000.00 |
| | 20,000.00 | 20,000.00 |
| <i>Issued, subscribed and fully paid-up</i> | | |
| March 31, 2025: 10,000 [March 31, 2024: 10,000] equity shares of face value ₹ 10 each | 100.00 | 100.00 |
| | 100.00 | 100.00 |

Note: Vide Shareholder's Resolution dated September 30, 2023, the authorised share capital was increased from 10,000 equity shares to 20,00,000 equity shares of ₹ 10 each.

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Rupees in 000's | Number of shares | Rupees in 000's |
| <i>Equity shares</i> | | | | |
| At the commencement of the year | 10,000 | 100.00 | 10,000 | 100.00 |
| Issued during the year | - | - | - | - |
| At the end of the year | 10,000 | 100.00 | 10,000 | 100.00 |

During the year Nil shares (March 31, 2024 - Nil shares) were issued of face value of ₹ 10 each.

(b) Particulars of shareholders holding more than 5% shares of a class of shares

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|--------------------------------------|------------------|--------------------------------------|------------------|
| | % of total shares in the class | Number of shares | % of total shares in the class | Number of shares |
| Equity shares of ₹ 10 each fully paid-up held by | | | | |
| Gem Aromatics Limited (Holding company)* | 100.00% | 10,000 | 100.00% | 10,000 |

(c) Details of shares held by promoters

As at March 31, 2025

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|------------------------|--|---------------------------|---|-------------------|-----------------------------|
| Gem Aromatics Limited* | 10,000 | - | 10,000 | 100.00% | - |
| Total | 10,000 | - | 10,000 | 100.00% | - |

As at March 31, 2024

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|------------------------|--|---------------------------|---|-------------------|-----------------------------|
| Gem Aromatics Limited* | 10,000 | - | 10,000 | 100.00% | - |
| Total | 10,000 | - | 10,000 | 100.00% | - |

* Formerly known as Gem Aromatics Private Limited

(d) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. In respect of every equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such equity share bears to the total paid up equity capital of the company. 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 ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) There were no shares allotted pursuant to contract without payment being received in cash or as fully paid up by way of bonus shares or any shares bought back.

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------|--|-------------------------|-------------------------|
| (12) | Other equity | | |
| | Retained earnings | (75,899.63) | (34,198.79) |
| | Total Other equity | (75,899.63) | (34,198.79) |
| | Retained earnings | | |
| | At the commencement of the year | (34,198.79) | (14,616.79) |
| | Loss for the year | (41,700.84) | (19,582.00) |
| | At the end of the year | (75,899.63) | (34,198.79) |
| (13) | Borrowings | | |
| | Non-current | | |
| | Secured: | | |
| | - Banks - term loans | 6,86,176.77 | 2,38,376.67 |
| | Unsecured: | | |
| | Loan from related parties | 8,10,665.29 | 1,90,655.83 |
| | | 14,96,842.06 | 4,29,032.50 |
| | Current | | |
| | Current maturities of long -term debt | 1,16,109.35 | 31,483.71 |
| | | 1,16,109.35 | 31,483.71 |
| | Note: The unsecured loan is availed at the prevailing interest rates as per the current market conditions. Refer Note 30 for details of security, terms of repayment and rate of interest against respective loans. | | |
| (14) | Other financial liabilities | | |
| | Current financial liabilities | | |
| | Employee related obligation | 1,479.99 | 297.68 |
| | Total current financial liabilities | 1,479.99 | 297.68 |
| (15) | Trade payables | | |
| | Current trade payables | | |
| | - Total outstanding dues of micro enterprises and small enterprises (Refer Note 35) | 28,534.85 | 9,368.01 |
| | - Total outstanding dues of creditors other than micro enterprises and small enterprises | 50,555.73 | 28,882.40 |
| | Total trade payables | 79,090.58 | 38,250.41 |
| | Ageing of trade payables | | |
| | <i>Total outstanding dues of micro enterprises and small enterprises</i> | March 31, 2025 | March 31, 2024 |
| | - Unbilled | 199.73 | |
| | - Not due | 1,094.29 | 50.00 |
| | - Less than 1 year | 27,240.53 | 9,317.71 |
| | - 1-2 years | - | 0.30 |
| | - 2-3 years | 0.30 | - |
| | - More than 3 years | - | - |
| | Total trade payables | 28,534.85 | 9,368.01 |
| | <i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i> | March 31, 2025 | March 31, 2024 |
| | - Unbilled | 651.53 | |
| | - Not due | 4,839.05 | 5,210.96 |
| | - Less than 1 year | 44,823.15 | 23,671.44 |
| | - 1-2 years | 242.00 | - |
| | - 2-3 years | - | - |
| | - More than 3 years | - | - |
| | Total Trade payables | 50,555.73 | 28,882.40 |
| (16) | Current liabilities | | |
| | Statutory dues payable | 4,914.92 | 1,920.70 |
| | Total current liabilities | 4,914.92 | 1,920.70 |

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|------------------------------|------------------------------|
| (17) Revenue from Operations | | |
| a) Revenue from Contracts with Customers - Sale of Products | 29,021.58 | 1,111.35 |
| | 29,021.58 | 1,111.35 |
| b) Other Operating revenues | | |
| - Others | 5.88 | - |
| | 5.88 | - |
| Total Revenue from operations | 29,027.46 | 1,111.35 |

(17.1) Revenue from Contracts with Customers

- (i) The Company is primarily in the business of manufacturing of natural identical / synthetic products, including those with application in the Flavour & Fragrance industry, and specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not give significant credit period resulting in no significant financing component.

(ii) Reconciliation of revenue as per contract price and as recognised in statement of standalone profit and loss:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|------------------------------|------------------------------|
| Revenue from contract with customer as per Contract price | 29,021.58 | 1,111.35 |
| Less: Discounts and other adjustment | - | - |
| Revenue from contract with customer as per statement of standalone profit and loss | 29,021.58 | 1,111.35 |

(iii) Unsatisfied performance obligations

The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|------------------------------|------------------------------|
| (18) Other income | | |
| Interest on : | | |
| - Bank deposits | 196.22 | - |
| Liabilities no longer required written back | 119.00 | - |
| Miscellaneous income | 24.05 | - |
| Total other income | 339.27 | - |
| (19) Cost of raw material consumed | | |
| Raw Materials at the beginning of the year | 318.00 | - |
| Add: Purchases | 61,384.69 | 1,826.00 |
| Less : Raw materials at the end of the year | (32,327.17) | (318.00) |
| Cost of raw material consumed | 29,375.52 | 1,508.00 |

(20) Changes in inventories of Finished Goods and WIP

| | | |
|-------------------------------------|-------------------------|-----------------|
| At the beginning of the year | | |
| Finished Goods | 92.37 | - |
| Work - in - Progress | 347.01 | - |
| | [A] 439.38 | - |
| At the end of the year | | |
| Finished Goods | - | 92.37 |
| Work - in - Progress | 2,975.58 | 347.01 |
| | [B] 2,975.58 | 439.38 |
| Net (increase) / decrease | [A-B] (2,536.20) | (439.38) |

(21) Employee benefits expense

| | | |
|--|-----------------|---------------|
| Salaries, wages and bonus | 3,086.25 | 228.34 |
| Contribution to provident fund (Refer note 25) | 117.72 | |
| Staff welfare expense | 535.94 | 92.62 |
| Total employee benefit expenses | 3,739.91 | 320.96 |

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Notes to the financial statements for the year ended March 31, 2025

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Year ended | Year ended |
|--|------------------|------------------|
| | March 31, 2025 | March 31, 2024 |
| (22) Finance costs | | |
| Interest on Loan | 81,210.70 | 17,803.30 |
| Less: Capitalized | (49,195.21) | (3,914.63) |
| Other Interest Costs | 0.59 | 76.18 |
| Other Finance Costs | 122.03 | 22.08 |
| Total finance cost | 32,138.11 | 13,986.93 |
| Note: Rate for capitalization of interest relating to specific borrowings were 8.62% and 8.67% (March 31, 2024 - 8.62%) and general borrowing were 9.00% (March 31, 2024 - 9.00%) p.a. for the financial year ended March 31, 2025 | | |
| (23) Depreciation and amortisation expenses | | |
| Depreciation of Property, plant and equipment (Refer note (3)(a)) | 5,513.89 | 286.09 |
| Amortisation of : | | |
| - Right of use asset (Refer note 4) | 962.39 | 965.03 |
| - Other intangible assets (Refer note (3)(c)) | 476.47 | 93.83 |
| Total depreciation and amortisation expenses | 6,952.75 | 1,344.95 |
| (24) Other expenses | | |
| Consumption of packing material and stores & spare parts | 169.26 | 6.42 |
| Auditor's remuneration (Refer note 24.1 below) | 75.00 | 50.00 |
| Repairs and maintainance | | |
| Factory | 136.64 | 46.01 |
| Others | 422.50 | 219.44 |
| Rent | 540.00 | 192.00 |
| Power and fuel | 2,318.27 | 2.20 |
| Legal and professional charges | 1,503.52 | 3,086.70 |
| Security charges | 2,448.45 | |
| Insurance charges | 1,407.28 | 295.23 |
| Selling & distribution expense | 33.70 | - |
| Travelling and conveyance | 233.50 | 27.27 |
| Miscellaneous expenses | 565.71 | 258.18 |
| Total other expenses | 9,853.83 | 4,183.46 |
| (24.1) Payment to auditor : | | |
| (i) Statutory Audit fees | 75.00 | 50.00 |
| Total payment to auditor | 75.00 | 50.00 |

Krystal Ingredients Private Limited

Notes to the financial statements for the year ended March 31, 2025

(25) Employee benefits

(a) Defined contribution plan

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|------------------------------|---------------------------------|
| Employer's contribution to provident fund | 117.72 | - |

Included in 'Contribution to provident fund under employee benefits expense (Refer Note 21)

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(26) Related party transactions

(a) Related parties

| Sr. No | Name of the party | Nature of relationship |
|--------|---|-------------------------------|
| 1 | Gem Aromatics Limited (Formerly known as Gem Aromatics Private Limited) | Holding Company |
| 2 | Gem Aromatics LLC | Subsidiary of Holding Company |
| 3 | Gem Aromatics FZ LLC (up to June 13, 2024) | Subsidiary of Holding Company |

(b) Key managerial personnel

| Sr. No | Particulars | Nature of relationship |
|--------|---------------------|------------------------|
| 1 | Vipul Parekh | Director |
| 2 | Kaksha Vipul Parekh | Director |
| 3 | Yash Parekh | Director |

(c) Details of transactions with related parties

(Amounts in ₹ Thousands unless stated otherwise)

| Sr. No | Nature of Transaction | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|----------|--|--------------------------------------|--------------------------------------|
| A | Transactions | | |
| 1 | Interest on Inter-corporate loan Gem Aromatics Limited | 38,247.69 | 11,319.19 |
| 2 | Inter-corporate loan received Gem Aromatics Limited | 5,85,586.54 | 65,797.02 |
| 3 | Security Deposit Received Gem Aromatics Limited | 60.00 | - |
| 4 | Security Deposit Given Gem Aromatics Limited | - | 60.00 |
| 5 | Rent Expense Gem Aromatics Limited | - | 120.00 |
| 6 | Purchase of Raw Materials Gem Aromatics Limited | 32,175.00 | - |
| 7 | Transfer of CWIP Asset Gem Aromatics Limited | 3,528.27 | - |

| Sr no. | Balances | As at March 31, 2025 | As at March 31, 2024 |
|----------|---|-------------------------|-------------------------|
| B | Balances | | |
| 1 | Borrowings Gem Aromatics Limited | 8,10,665.29 | 1,90,655.83 |
| 2 | Trade Payables Gem Aromatics Limited | 10,139.40 | - |
| 3 | Security Deposit - Rent Expense Gem Aromatics limited | - | 60.00 |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year ended are unsecured and settlement occurs in cash.

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(27) Fair value measurement

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 if the carrying amount is a reasonable approximation of fair value those include cash and cash equivalents, other bank balances, trade receivables and trade payables.

(a) Financial instruments by category

(Amounts in ₹ Thousands unless stated otherwise)

| At Amortised Cost | March 31, 2025 | March 31, 2024 |
|--|---------------------|--------------------|
| Assets | | |
| Trade receivables | 15,948.26 | 1,311.39 |
| Cash and cash equivalents | 3,359.24 | 385.56 |
| Bank balances other than Cash and Cash equivalents | 5,273.96 | - |
| Other financials assets | 13,417.87 | 5,922.48 |
| Total Assets | 37,999.33 | 7,619.43 |
| Liabilities | | |
| Borrowings | 16,12,951.41 | 4,60,516.21 |
| Trade payables | 79,090.59 | 38,250.40 |
| Other financial liabilities | 1,479.99 | 297.68 |
| Total Liabilities | 16,93,521.99 | 4,99,064.29 |

Note: Carrying amounts of cash and cash equivalents, other bank balances, borrowings, trade receivables, trade payables, other financial assets and other financial liabilities as at year ended March 31, 2025 and March 31, 2024 approximate their fair value due to their short-term nature.

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(28) Financial 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 is responsible for developing and monitoring the Company's risk management policies. The Board holds regular meetings on its activities.

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 Company has in place comprehensive risk management policy in order to identify, measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The management reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

a). 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.

Other financial assets

Other financial assets measured at amortised cost includes deposits and capital advances for immovable properties etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis and the Company does not perceive any credit risk related to these financial assets. The company does not have any financial assets that needs to be impaired.

Cash and cash equivalents

Credit risk on cash and cash equivalents with banks is limited as the Company generally holds balances with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low.

b). 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.

The Company's treasury maintains flexibility in funding by maintaining liquidity through borrowings from the Holding Company. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Carrying amount | Undiscounted amount | |
|-----------------------------|-----------------|---------------------------|---------------------------|
| | | Carrying amount <12months | Carrying amount ≥12months |
| March 31, 2025 | | | |
| Borrowings | 16,12,951.41 | 1,16,109.35 | 14,96,842.06 |
| Trade payables | 79,090.58 | 79,090.28 | 0.30 |
| Other financial liabilities | 1,479.99 | 1,479.99 | - |
| March 31, 2024 | | | |
| Borrowings | 4,60,516.21 | 31,548.12 | 4,29,520.14 |
| Trade payables | 38,250.40 | 38,250.10 | 0.30 |
| Other financial liabilities | 297.68 | 297.68 | - |

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(c). Market risk

Market risk is the risk arising from 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. The Company is exposed to market risk primarily related to foreign exchange rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency.

(i). Currency risk

The Company does not transact in any currency other than functional currency, hence the Company is not exposed to currency risk.

(ii). 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 investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's exposure to interest rate risks relates primarily to the Company's interest obligations on its borrowings. Borrowings taken at variable rates are exposed to fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on that portion of loans and borrowings affected. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Increase / Decrease in Basis Points | Effect on profit before tax / pre tax equity |
|-----------------------|-------------------------------------|--|
| March 31, 2025 | | |
| Base Rate | +100 | 1,218.03 |
| Base Rate | -100 | (1,218.03) |
| March 31, 2024 | | |
| Base Rate | +100 | 434.97 |
| Base Rate | -100 | (434.97) |

(iii). Capital Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | March 31, 2025 | March 31, 2024 |
|-----------------------------------|---------------------|--------------------|
| Borrowings | 16,12,951.41 | 4,60,516.21 |
| Less : Cash and cash equivalents | (3,359.24) | (385.56) |
| Less : Other bank balances | (5,273.96) | - |
| Net Debt | 16,04,318.21 | 4,60,130.65 |
| Equity | (75,799.63) | (34,098.79) |
| Total Equity Capital | (75,799.63) | (34,098.79) |
| Total Equity Capital and Net Debt | 15,28,518.58 | 4,26,031.86 |
| Capital gearing ratio | 1.05 | 1.08 |

Loan covenants

The Company is required to comply with all the loan covenants as set out in the loan agreement/facility letter. The Company has complied with these covenants during the reporting year.

Krystal Ingredients Private Limited

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Notes to the financial statements for the year ended March 31, 2025

(29) Ratios

| Ratio | Numerator | Denominator | March 31, 2025 | March 31, 2024 | % change | Reason for variance (Where % change is more than 25%) |
|---------------------------------|--|---|----------------|----------------|------------|---|
| Current ratio | Current Assets | Current Liabilities | 0.87 | 0.17 | 427.26% | Increase in Current Assets during the year.. |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | (21.28) | (13.51) | 57.56% | Increase in Total Debt |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest + Principal Repayments | 0.29 | (0.02) | (1290.74%) | Increase in the Finance Cost and Principal repayment. |
| Return on Equity ratio (Note 1) | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 75.89% | 80.56% | (5.80%) | - |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 5.92 | 10.06 | (41.14%) | The operations have commenced in last year, sales volume are yet to stabilize |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 3.36 | 1.69 | 98.41% | The operations have commenced in last year, sales volume are yet to stabilize |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 1.05 | 0.10 | 999.31% | The operations have commenced in last year |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | (1.12) | (0.02) | 5976.29% | The operations have commenced in last year |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | (1.44) | (17.62) | (91.85%) | The operations have commenced in last year |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | (1.17%) | (1.38%) | (14.90%) | - |
| Return on Investment | Interest on Fixed Deposit(Finance Income) | Weighted Average Investment in Fixed Deposits | 7.22 | - | 100.00% | Fixed Deposit placed in current year. |

Note :

1. The Return on Equity ratio is positive because of negative numerator and denominator.

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Notes to the financial statements for the year ended March 31, 2025

(30) Details of the outstanding principal (including unamortised borrowing cost, if any), interest rate, security and repayment terms:

(Amounts in ₹ Thousands unless stated otherwise)

| Sr no | Name of the Lendor | Amount of March 31, 2025 | Amount of March 31, 2024 | Applicable interest rate | Type of loan and underlying facilities | Amount sanctioned | Repayments terms |
|-------|-----------------------|--------------------------|--------------------------|--|--|-------------------|--|
| 1 | Gem Aromatics Limited | 8,10,665.29 | 1,90,655.83 | Interest - 9% p.a. | Term Loan | 12,50,000.00 | Principal loan amount and accrued interest shall be repaid after 8 years from date of disbursement. |
| 2 | Axis Bank | 8,02,286.12 | 2,69,860.38 | Repo + 1.75% (presently 8.25% p.a.) payable at monthly intervals | Term Loan | 10,83,000.00 | Repayable over a period of 80 months (including 11 months moratorium period). Repayable over a period of -67 months (including 11 months moratorium period) |
| 3 | Axis Bank | - | - | As per Mutual Agreement | Working Capital Loan | 2,00,000.00 | On Demand |
| Total | | 16,12,951.41 | 4,60,516.21 | - | | 25,33,000.00 | |

Overall Security for Borrowings:

I) Securities for term loan

A. Primary security:

Exclusive charge on the entire movable and immovable fixed assets of the Dahej Facility, present and future.

B. Collateral security:

Second charge on the stock and book debts of Krystal Ingredients Private Limited, present and future.

C. Guarantee:

Conditional corporate guarantee of Gem Aromatics Limited (Holding Company).

II) Securities for working capital loan

A. Primary security:

Exclusive charge on the stock and book debts of Krystal Ingredients Private Limited, present and future.

B. Collateral security:

Second charge on the entire movable and immovable fixed assets of the Dahej Facility, present and future.

C. Guarantee:

Conditional corporate guarantee of Gem Aromatics Limited (Holding Company).

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Notes to the financial statements for the year ended March 31, 2025

(31) Earnings per share

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| Profit / (Loss) attributable to the equity holders of the Company (₹ in Thousands) | (41,700.84) | (19,582.00) |
| Weighted average number of equity shares for EPS (in nos) | 10,000 | 10,000 |
| Weighted average number of equity shares for Diluted EPS (in nos) | 10,000 | 10,000 |
| Earnings per share (₹) | | |
| - Basic | (4,170.08) | (1,958.20) |
| - Diluted | (4,170.08) | (1,958.20) |
| Face value per equity share (₹) | 10 | 10 |

(32) Income tax expense

This note provides analysis of Company's income tax expense, amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates in relation to the Company's tax position.

(a) Income tax expense is as follows:

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|----------------------------|-----------------------------------|-----------------------------------|
| (a) Profit and loss | | |
| Current tax | - | - |
| Deferred tax | (8,456.35) | 211.57 |
| Total tax expense | (8,456.35) | 211.57 |

(b) Reconciliation of tax expense and the accounting profit computed by applying income tax rate:

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Profit/(loss) before tax | (50,157.19) | (19,793.57) |
| Tax rate | 17.16% | 17.16% |
| Computed tax expense | (8,606.97) | (3,396.58) |
| Change in tax rates | - | 3,537.06 |
| Expenses not deductible in income tax | 150.62 | 71.09 |
| Income tax expense | (8,456.35) | 211.57 |

(33) Segment reporting

The Holding Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, 'Operating Segments', the Holding Company has disclosed the segment information in the consolidated financial statements.

(34) Going concern

The management has taken initiatives directed towards commencing business operations and improving the profitability through operational efficiencies. The Company expects that these initiatives would result in sustainable cash flows. The Company, based on the support given by the parent company, is confident of meeting its operating and capital funding requirements. Accordingly, these financial statements have been prepared on going concern basis.

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Notes to the financial statements for the year ended March 31, 2025

(35) Dues of micro and small enterprises

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---------------------------------|---------------------------------|
| Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required related to MSME. On the basis of the information and records available with the company, following are the details of dues: | | |
| - the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting period; | 28,534.85 | 9,368.01 |
| - the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period; | - | - |
| - the amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| - the amount of interest accrued and remaining unpaid at the end of the accounting period; and | 114.23 | 22.08 |
| - the amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | | - |

(36) Contingent Liabilities and Commitments

(Amounts in ₹ Thousands unless stated otherwise)

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---------------------------------|---------------------------------|
| (I) Contingent Liabilities | - | - |
| (II) Commitments | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: | | |
| (i) Capital commitments entered by the company | 1,41,092.37 | 2,52,687.79 |

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

Notes to the financial statements for the year ended March 31, 2025

(37) Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial period.
- (v) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the companiesd (Restriction on number of layers) Rules 2017.
- (vi) 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
- (vii) 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.
- (viii) The Company does not have any such transaction which was not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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.

(38) There are no material subsequent events which have occurred between the reporting date as on March 31, 2025 and adoption of financial statement by board of directors as on May 28, 2025.

(39) The financial statements were authorised for issue by the Company's Board of directors on May 28, 2025.

(40) Previous Period figures have been regrouped / reclassified to confirm to current period presentation.

As per our report of even date

For Chhajed & Doshi

Chartered Accountants

Firm's Registration No.: 101794W

ABHINAV
UTTAMCHAND
D CHHAJED

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ABHINAV
UTTAMCHAND
CHHAJED
Date: 2025.05.28
23:41:01 +05'30'

CA Abhinav Chhajed

Partner

Membership Number: 196452

Place : Mumbai

Date : 28-05-2025

For and on behalf of the Board of Directors of

Krystal Ingredients Private Limited

CIN: U24299MH2021PTC359408

KAKSHA
VIPUL
PAREKH

Digitally signed by KAKSHA VIPUL PAREKH
DN: cn=KAKSHA VIPUL PAREKH, o=Krystal Ingredients Private Limited, ou=Krystal Ingredients Private Limited, email=kaksha.vipul.parekh@krystalingredients.com, c=IN
Date: 2025.05.28 12:34:44+05'30'
Post PDF Editor Version: 2024.1.0

Kaksha Parekh

Director

DIN : 00235998

Place : Mumbai

Date : 28-05-2025

YASH
PAREKH

Digitally signed by YASH PAREKH
DN: cn=YASH PAREKH, o=Krystal Ingredients Private Limited, ou=Krystal Ingredients Private Limited, email=yash.parekh@krystalingredients.com, c=IN
Date: 2025.05.28 12:37:44+05'30'
Post PDF Editor Version: 2024.1.0

Yash Parekh

Director

DIN : 03514313

Place : Mumbai

Date : 28-05-2025