



Hospitality & Facility Management Services

CIN : U74930MH2006PLC159290

ISO 9001 : 2008
ISO 14001 : 2004
OHSAS 18001 : 2007

OUR SERVICES :

- ◆ Housekeeping Mgmt.
- ◆ Guest House Mgmt.
- ◆ Property Mgmt.
- ◆ Pest Control Mgmt.
- ◆ Front Office Mgmt.
- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgr
- ◆ Catering / Pantry Mgmt.

"YOUR IMAGE IS OUR BUSINESS"

Date: August 31, 2019

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051, Maharashtra, India.

Company Symbol: KHFM (Series: SM)

Subject: Submission of Annual Report for the Financial Year 2018 - 19

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting the Annual Report for the Financial Year 2018 – 19 which is being dispatched / sent to the members through permitted mode(s).

Kindly take the above information on your record.

For and Behalf of

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Anubhav Shrivastava

Company Secretary & Compliance Officer

Place: Mumbai



KHFM Hospitality & Facility Management Services Ltd.

REGD. OFFICE : 01, "NIRMA PLAZA, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059.

MOBILE : +91 9987870000, +91 9987574333 HELLO : +91-22-28511234, +91-22-28514141

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ANNUALREPORT

FINANCIAL YEAR 2018 - 19

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

CIN: U74930MH2006PLC159290

Registered Office:

**01, Nirma Plaza, Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059.**

**Contact:
Tele: +91 22 2851 1234; Fax: +91 22 2859 1483**

Website: www.khfm.in

Email : cs@khfm.in , sales@khfm.in

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Corporate Information

<p>BOARD OF DIRECTORS</p> <p>Mr. Ravindra Malinga Hegde Managing Director</p> <p>Mrs. Sujata Ravindra Hegde Executive Director</p> <p>Mr. Ravi Vimal Nevatia Independent Director</p> <p>Mr. Brahm Pal Singh Independent Director</p> <p>Mr. Saurav Hegde Non-Executive Director</p> <p>Mr. Abhibrat Shanker Kumar Das Independent Director</p> <p>COMPANY SECRETARY & COMPLIANCE OFFICER Mr. Anubhav Shrivastava</p> <p>CHIEF FINANCIAL OFFICER Mr. Naveen Alias Carvallo</p> <p>BANKERS Apna Sahakari Bank Central Bank of India Deutsche Bank HDFC Bank ICICI Bank IDBI Bank Oriental Bank of Commerce State Bank of India</p>	<p>STATUTORY AUDITORS M/s. Bhushan Khot & Company Chartered Accountants, Mumbai</p> <p>INTERNAL AUDITORS G.R. Shetty & Co. Chartered Accountants, Mumbai</p> <p>SECRETARIAL AUDITORS M/s. Mishra & Associates Company Secretaries, Mumbai</p> <p>REGISTERED OFFICE 01, Nirma Plaza Makhwana Road Marol Naka Andheri (East), Mumbai – 400059</p> <p>Tel: +91- 22 2851 1234 Fax: +91- 22 2859 1483 CIN: U74930MH2006PLC159290</p> <p>REGISTRAR AND SHARE TRANSFER AGENTS: Big Share Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059 Tel: +91-022-62638200 Fax: +91-022-62638299 Email: investor@bigshareonline.com</p>
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Dear Shareholders,

We have had an exceptional year. A special thanks to our Clients and our Employees. This is the first Annual Report of the Company as a Listed Entity and it gives me great pleasure to share with you the highlights of our Company's performance, during the year ending March 31, 2019.

We are one of the reputed integrated business services providers focused on providing integrated hospitality and facility management services (IHFM). We provide the entire range of hospitality and facility management services including mechanized housekeeping, guesthouse management & catering, pest control, gardening and security service, etc. The IHFM segment of our services provide integrated hospitality and facility management solutions to corporates including MNCs, government organizations like Railways, Municipal Corporations Public Sector Undertakings (PSUs) and other commercial establishments.

FINANCIAL HIGHLIGHTS

The total turnover of the Company is Rs. 78,00,11,978 /- as compared to previous year Rs. 45,68,35,461 /-. The Profit before tax of the Company is Rs.3,65,39,704 /- as compared to previous year Rs. 3,12,89,251 /- and Profit after tax of the company stood at Rs.2,69,54,922 /- as compared to previous year Rs. 2,22,03,061 /-

INITIAL PUBLIC OFFER

The Company has successfully completed initial public offering (IPO) in the current year pursuant to applicable SEBI Rules and Regulations. The IPO of the company received an overwhelming response from the investors and the public issue was oversubscribed by 1.002 times thereby making this IPO a successful one. Shares have been listed with the NSE Emerge (SME Platform of NSE) with effect from April 12, 2019. Consequently, the Company's paid up capital increased from Rs. 6,75,00,000/- to Rs.9,69,90,000 /-. The equity shares of Rs.10/- each were issued at a price of Rs.36/- per share.

As we stand at the end of another successful year, I am happy to report, that our strong business fundamentals and capabilities will hold us in good stead in the coming years. While we continue to focus on profitable growth and maximization of value for our stakeholders as the key agenda, it is also imperative for us to consolidate what we all have created so far.

I would like to thank the entire team of KHFM Hospitality And Facility Management Services Limited for their great work and their dedication throughout the year.

I would also like to express my gratitude to you and all the stakeholders for the trust and faith that they have reposed in us. As we move into another exciting year, we continue to seek your support and blessings.

With Warm Regards

Sd/-

Ravindra Malinga Hegde
Managing Director

BOARD'S REPORT

To,
The Members,
KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Dear Members,

Your Directors are pleased to present this **Thirteenth (13th) Annual Report** of your company along with Audited Financial Statements (Standalone) for the Financial Year ended on **March 31, 2019**.

FINANCIAL HIGHLIGHTS

(Amount in Rs)		
PARTICULARS	Financial Year 2018-19	Financial Year 2017-18
Turnover	78,00,11,978	45,68,35,461
Other Income	20,49,075	9,45,047
Profit Before Depreciation, Interest and Tax (PBDIT)	8,94,28,233	7,06,64,043
Finance Cost	4,97,08,898	3,69,53,192
Depreciation and amortization expense	31,79,641	24,21,600
Exceptional Items	-	4,25,405
Profit Before Tax	3,65,39,704	3,08,63,846
Tax Expenses:		
Current Tax	1,01,97,007	85,24,236
Reversal of Provision of Income Tax	11,29,460	50,000
Deferred Tax	(17,41,685)	(86,549)
Profit after Tax	2,69,54,922	2,22,03,061
Profit / (Loss) for the Year	2,69,54,922	2,22,03,061

1. COMPANY'S PERFORMANCE REVIEW:

The Company continues to see a growth in its overall performance in the financial year 2018-19.

➤ During the Financial Year ended March 31, 2019, the Company's total Revenue from operations is Rs. 78,00,11,978 /- as against Rs. 45,68,35,461 /- in the corresponding previous Financial Year ended March 31, 2018.

➤ The Profit after tax (PAT) for the Financial Year ended March 31, 2019 is Rs. 2,69,54,922 /- as against Profit of Rs. 2,22,03,061/- in the corresponding previous Financial Year ended March 31, 2018.

2. DIVIDEND

The Board of Directors at its meeting held on 30.05.2019 recommended a final dividend at the rate of 5% i.e. Rs. 0.50 / - per share to its shareholders.

3. RESERVES

The Company has closing balance of Rs. 14,32,38,184 /- (Rupees Fourteen Crore Thirty Two Lakhs Thirty Eight Thousand One Hundred and Eighty Four) as Reserve and Surplus as on March 31, 2019. The Closing Balance of Reserve and Surplus is bifurcated as follows:

Sr. No.	Particulars	Amount
1.	Balance at the beginning of the Financial Year	11,62,83,262
2.	Profit during the year transferred	2,69,54,922
	TOTAL	32,02,69,661

4. CHANGES IN NATURE OF THE BUSINESS, IF ANY

The Company Continued to carry Business of Integrated Hospitality and Facility Management and hence, there was no change in the nature of business or operations of the Company which impacted the financial position of the Company during the year under review.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

• INITIAL PUBLIC OFFER

The Company has successfully completed initial public offering (IPO) in the current year pursuant to applicable SEBI Rules and Regulations. The IPO of the company received an overwhelming response from the investors and the public issue was oversubscribed thereby making this IPO a successful one. Shares have been listed with the NSE Emerge (SME Platform of NSE) with effect from April 12, 2019. Consequently, the Company's paid up capital increased from Rs. 6,75,00,000/- to Rs.9,69,90,000 /-. The equity shares of Rs.10/- each were issued at a price of Rs.36/- per share.

6. SHARE CAPITAL

During the year under review, there is no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company.

As at March 31, 2019, the Authorized Share Capital of the Company is Rs. 12,00,00,000/- divided into 1,20,00,000/- equity shares of Rs. 10/- each.

Further, Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2019 is Rs. 6,75,00,000/- divided into 67,50,000/- equity shares of Rs. 10/- each.

7. DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits from public falling within the purview of provisions of Section 73 and 76 of the Companies Act, 2013 (“the Act”) and Rules framed thereunder.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loan, Guarantees and Investments covered under section 186 of the Companies Act have been disclosed in Notes to the Financial Statement.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions/contracts/arrangements that were entered into by the Company during the year under review were on an arm's length basis and were in compliance with the applicable provisions of the Act and the Listing Regulations. There are no material significant related party transactions entered into by the Company with its Promoters, Directors, KMP or Senior Management Personnel which may have a potential conflict with the interest of the Company at large. All related party transaction as required under AS-18 are reported in the notes to financial statement of the Company. **Form AOC - 2** forming part of this Directors Report is attached herewith as **Annexure I**.

All related party transactions were placed before the Audit Committee for its approval and noting on quarterly basis. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and of a repetitive nature.

10. SUBSIDIARY COMPANY / ASSOCIATE COMPANY / JOINT VENTURE

As on 31st March, 2019, the Company does not have any subsidiary or joint venture and associate company.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- i. The Directors and Key Managerial personnel of the Company as on 31st March, 2019 are as below:

Sr. No.	Name	Designation	DIN/PAN
1.	Ravindra Malinga Hegde	Managing Director	0001821002
2.	Sujata Ravindra Hegde	Executive Director	0001829352
3.	Ravi Vimal Nevatia	Independent Director	0007200190
4.	Brahm Pal Singh	Independent Director	0008045923
5.	Saurav Hegde	Non-Executive Director	0008116567
6.	Abhibrat Shanker Kumar Das	Independent Director	0008205814
7.	Naveen Alias Carvalho	Chief Financial Officer	AEPPC7684B
8.	Anubhav Shrivastava	Company Secretary & Compliance Officer	DLCP4841F

- ii. During the Financial year 2018 – 19:

The Board of Directors at its meeting held on August 24, 2018 –

- Appointed Mr. Ravindra Malinga Hegde as Managing Director of the company.
- Appointed Mr. Ravi Vimal Nevatia, Mr. Brahm Pal Singh and Mr. Abhibrat Shanker Kumar Das as Non – Executive Independent Director of the company.
- Regularized the appointment of Mr. Saurav Hegde as Non – Executive Director of the company.
- Appointed Mr. Naveen Alias Carvalho as the Chief Financial Officer and Mr. Anubhav Shrivastava as Company Secretary & Compliance Officer of the company.

- iii. Declaration under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors:

The Company has duly complied with the definition of 'Independence' according to the provisions of Section 149(6) of, read with Schedule IV - Code of Independent Directors to, the Companies Act, 2013 and Regulation 16 (1) (b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended). All the Independent Director/s, have submitted a declaration that he/she meets the criteria of independence and submits the declaration regarding the status of holding other directorship and membership as provided under law. The Independent Directors have also confirmed that they have complied with the Company's code of

conduct for Board and Senior Management as per Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors affirmed that none of them were aware of any circumstance or situation which could impair their ability to discharge their duties in an independent manner.

iv. Disqualification of Directors:

During the financial year 2018-2019 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The Board noted the same.

12. COMMITTEES OF THE BOARD

As on March 31, 2019, the Board has constituted Three (3) Committees viz; Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

i. AUDIT COMMITTEE:

Your Company has constituted an Audit Committee (“Audit Committee”) as per section 177 of the Companies Act, 2013 and regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on September 06, 2018.

The composition of the Audit committee as follows:-

Name of the Director/Member	Designation	Nature of Directorship
Mr. Ravi Vimal Nevatia	Chairman	Independent & Non – Executive Director
Mr. Brahm Pal Singh	Member	Independent & Non – Executive Director
Mr. Ravindra Malinga Hegde	Member	Managing Director

All members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. All the recommendations made by the Audit Committee were accepted by the Board. The Company Secretary acts as a secretary to the Committee.

ii. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors in their Meeting held on September 06, 2018, has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Composition of the Nomination and Remuneration Committee are as under:

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Name of the Director/Member	Designation	Nature of Directorship
Mr. Brahm Pal Singh	Chairperson	Independent & Non- Executive Director
Mr. Ravi Vimal Nevatia	Member	Independent & Non- Executive Director
Mr. Abhibrat Shanker Kumar Das	Member	Independent & Non- Executive Director

iii. STAKEHOLDER RELATIONSHIP COMMITTEE

The Board of Directors in their Meeting held on September 06, 2018, has constituted a stakeholder relationship committee to redress the complaints/grievances of its shareholders/investors related to non-receipt of annual report, dividend payment, issue of duplicate share certificates, transmission of shares and other related complaints. The stakeholder relationship committee was constituted as per the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The composition of the Stakeholders' Relationship Committee are as under:

Name of the Director/Member	Designation	Nature of Directorship
Mr. Abhibrat Shanker Kumar Das	Chairman	Independent & Non – Executive Director
Mr. Brahm Pal Singh	Member	Independent & Non – Executive Director

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2018-19.

13. BOARD MEETINGS**➤Number Of Board Meetings**

During the year under review the Board of Directors met 20 (Twenty) times on April 23 2018, May 14 2018, May 29 2018, June 05, 2018, August 10, 2018, August 14 2018, August 24, 2018, September 06, 2018, September 11 2018, October 31 2018, November 22 2018, December 20 2018, December 28 2018, January 10 2018, February 04 2018, February 13, 2018, February 21, 2018, March 05 2018, March 11 2018 and March 28 2018. The interval between the two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Sr. No.	Name of the Director	No. of Board Meeting	
		Held	Attended
1.	Ravindra Malinga Hegde	20	20
2.	Sujata Ravindra Hegde	20	20
3.	Ravi Vimal Nevatia	20	13
4.	Brahm Pal Singh	20	13
5.	Saurav Hegde	20	13
6.	Abhibrat Shanker Kumar Das	20	13

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (C) of the Companies Act, 2013 the Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) They have laid down Internal financial controls 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 and;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. EXTRACT OF THE ANNUAL RETURN

As per the requirements of section 92 (3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the Annual Return for the Financial Year ended March 31, 2019 is given in **Annexure II** in the prescribed **Form MGT-9**, which forms part of this Report.

16. CORPORATE GOVERNANCE

Since the Company's securities are listed on SME Emerge Platform of National Stock Exchange (NSE), by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The compliance with the corporate governance provisions as specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Board's Report.

17. COMPLIANCES OF SECRETARIAL STANDARDS

The Company is in compliance with all the applicable standards issued by the Institute of Company Secretaries of India.

18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has its internal financial control systems commensurate with the size and complexity of its operations, to ensure proper recording of financials and monitoring of operational

effectiveness and compliance of various regulatory and statutory requirements. The management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records including timely preparation of reliable financial information.

19. PARTICULARS OF EMPLOYEES

The Company has no employee, who is in receipt of remuneration of Rs 8,50,000/- per month or Rs 1,02,00,000/- per annum and hence the Company is not required to give information under sub rule 2 and 3 of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further the following details forming part of **Annexure III** to the Board Report.

- Pursuant to Rule 5(2) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 statement containing the names and other particulars of Top Ten employees in terms of remuneration drawn by them
- Disclosure Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as an **Annexure IV**.

21. AUDITORS

(a) Statutory Auditor

M/s. G.R. Shetty & Co. Chartered Accountants, (Firm Registration Number: 110093W) resigned as the statutory auditor of the company with effect from August 14, 2018 and consequently M/s Bhushan Khot & Co. Chartered Accountants (Firm Registration Number: 116888W) were appointed as Statutory Auditor of the company in the 12th Annual General Meeting of the company held on August 22, 2018.

(b) Secretarial Auditor

As required under provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, the Board has appointed the Secretarial Auditors of the Company, M/s Mishra & Associate, Practicing Company Secretaries, for conducting the Secretarial Audit for the FY 2019-20.

(c) Internal Auditor

Company in their Meeting of Board of Directors on August 30, 2019, has appointed M/s. G.R. Shetty & Co. as Internal Auditor of the Company for the Financial Year 2019-20.

22. DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR OR COURT OR TRIBUNAL

There were no significant and material orders issued against the Company by an regulating authority or court or tribunal that could affect the going concern status and company's operation in future.

23. VIGIL MECHANISM

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct.

It provides direct access to the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine whistle blowers are accorded complete protection from any kind of unfair treatment or victimization.

The said policy is also available on the website of the Company at www.khfm.in under the head investor section.

24. FRAUD REPORTING

There were no frauds disclosed during the Financial Year.

25. CODE OF CONDUCT

The Board has laid down a specific code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis.

26. INSIDER TRADING

The Board has in consultation with the Stakeholder's Relationship Committee laid down the policy to regulate and monitor the Insider Trading in the Company. The Committee regularly analyses the transactions and monitors them to prevent Insider Trading. The Company has also adopted a Prohibition of Insider Trading Policy.

During the year under review, in compliance with the amendments to the SEBI Insider Regulations, the Company adopted the following effective 1 April 2019:

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives

27. MEANS OF COMMUNICATION

The Board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with its shareholders through multiple channels of communication such as Company's Website and stipulated communications to Stock Exchange where the Company's shares are listed for announcement of Financial Results, Annual Report, Notices, Outcome of Meetings, Company's Policies etc.

28. HUMAN RESOURCES

Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on ongoing basis. Numbers of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

29. WEBSITE

The Company has a website addressed as www.khfm.in. Website contains the basic information about the Company - details of its Business, Financial Information, Shareholding Pattern, Contact Information of the Designated Official of the Company who is responsible for assisting and handling investors grievances and such other details as may be required under sub regulation (2) of Regulation 46 of the Listing Regulations, 2015. The Company ensures that the contents of this website are periodically updated.

30. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment including criteria for determining qualifications, positive attributes and independence of a Director as well as policy relating to Remuneration of Key Managerial Personnel and other employees and other matters as provided in Section 178(3) of the Act, is appended as an **Annexure V** to this Report.

31. ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the Bankers, Financial Institutions, Government Authorities, Customers, Vendors, Consultants, Advisors and Members for their direct and indirect co-operation and look forward to their continued support in the future.

Your Directors acknowledge the support and co-operation received from employees and all those who have helped in day to day management of the Company.

**For and on behalf of the Board
FOR KHEM HOSPITALITY AND FACILITY
MANAGEMENT SERVICES LIMITED**

**PLACE: MUMBAI
DATE: 30th AUGUST, 2019**

**RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002**

ANNEXURE TO THE BOARD REPORT

ANNEXURE I

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

(a) Name(s) of the related party and nature of relationship

Sr. No.	Related Party	Relationship
	NIL	

(b) Nature of contracts/arrangements/transactions

Sr. No.	Particulars	Amount (Rs.)
	NIL	

(c) Duration of contracts/arrangements/transactions

Sr. No.	contracts/arrangements/transactions	From	To
	NIL		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any			
(e) Justification for entering into such contracts or arrangements or transactions: NIL			
(f) date(s) of approval by the Board			
Sr. No.	Particulars	Amount (Rs.)	
	NIL		
(g) Amount paid as advances, if any:			
contracts or arrangements or transactions		Amount of Advance (Rs.)	
NIL			

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

(a) Name(s) of the related party and nature of relationship

Sr. No.	Related Party	Relationship
1.	Mr. Ravindra Malinga Hegde	Managing Director
2.	Mrs.Sujata Ravindra Hegde	Director

(b) Nature of Contracts/Arrangements/Transactions

Sr. No.	Particulars	Amount (Rs.)
1.	Remuneration to Mr. Ravindra Malinga Hegde	36,00,000
2.	Remuneration to Mrs. Sujata Ravindra Hegde	30,00,000
3.	Rent paid to Mr. Ravindra Malinga Hegde	8,40,000

(c) Duration of contracts/arrangements/transactions

Sr. No.	Contracts/Arrangements/Transactions	From	To
1.	Transactions	01/04/2018	31/03/2019
2.	Transactions	01/04/2018	31/03/2019
(d) Salient terms of the contracts or arrangements or transactions including the value, if any			

All the Transactions are entered in the Ordinary Course of Business
(e) Justification for entering into such contracts or arrangements or transactions
Not Applicable
(f) date(s) of approval by the Board: 23 rd April 2018
(g) Amount paid as advances, if any: NA

**For and on behalf of the Board
FOR KHFM HOSPITALITY AND FACILITY
MANAGEMENT SERVICES LIMITED**

**PLACE: MUMBAI
DATE: 30th AUGUST, 2019**

**RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002**

ANNEXURE II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars	Particulars
1.	CIN	U74930MH2006PLC159290
2.	Registration Date	27 th January, 2006
3.	Name of the Company	KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5.	Address of the Registered office & contact details	01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East) Mumbai Maharashtra 400059
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PVT. LTD. 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) – 400 059, Maharashtra, India

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1.	Combined Facilities Support Services	811	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise shareholding:

Sr. No .	Category of shareholders	No. of shares held at the beginning of the year April 01, 2018				No. of shares held at the end of the year March 31, 2019				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals / HUF	67,50,000		67,50,000	100	67,49,785	-	67,49,785	99.99	-
(b)	Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (Director Relative)	-		-	-	200	-	200	0.003	-
Sub Total (1)	(A)	67,50,000	-	67,50,000	100	67,49,785	-	67,49,785	99.99	-

(2)	Foreign									
Sr. No.	Category of shareholders	No. of shares held at the beginning of the year April 01, 2018				No. of shares held at the end of the year March 31, 2019				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(a)	Individuals (Non Resident Individual / Foreign Individual)	-	-	-	-	-	-	-	-	-
(b)	Bodies corporate									
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified foreign investor	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-

Sub Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)		67,50,000	-	67,50,000	100	67,49,985	-	67,49,985	99.99	-
B	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c)	Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIIs	-	-	-	-	-	-	-	-	-
(i)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(j)	Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)		-	-	-	-	-	-	-	-	-
(2)	Non-Institutions									
(a)	Body Corporates	-	-	-	-	-	-	-	-	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital up to Rs. 2 lakh	-	-	-	-	15	-	15	Negligible	-
ii	Individual shareholders	-	-	-	-	-	-	-	-	-

	rs holding nominal share capital in excess of Rs. 2 lakh									
(c)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(d)	Any other									
i	Non-resident Indians	-	-	-	-	-	-	-	-	-
ii	Foreign Companies	-	-	-	-	-	-	-	-	-
iii	Market Makers	-	-	-	-	-	-	-	-	-
iv	Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
v	Trusts	-	-	-	-	-	-	-	-	-
vi	Alternative Investment Fund	-	-	-	-	-	-	-	-	-
vii	IEPF Suspense A/c	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)		-	-	-	-	15	-	15	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)		-	-	-	-	15	-	15	-	-
C	Shares held by Custodian and against which for GDRs & ADRs:	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		67,50,000	-	67,50,000	100 %	67,50,000	-	67,50,000	-	-

ii. Shareholding of promoters (including promoter group):

Sr. No.	Shareholders Name	Shareholding at the beginning of the year April 01, 2018			Shareholding at the end of the year March 31, 2019			% change in the shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Ravindra Malinga Hegde	58,05,000	86	-	58,04,785	85.99	-	-
2.	Sujata Ravindra Hegde	945,000	14	-	9,45,000	14.01	-	-
3.	Riddhi Ravindra Hegde	-	-	-	100	Negligible	-	-
4.	Saurav Ravindra Hegde	-	-	-	100	Negligible	-	-

iii. Changes in promoters (including promoter group) Shareholding (please specify, if there is no change):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding at the end of the year March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ravindra Malinga Hegde				
	At the Beginning of the Year	58,05,000	86.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	(215)		58,04,785	85.99
	At the End of the year	58,04,785	85.99		
2.	Sujata Ravindra Hegde				
	At the Beginning of the Year	945,000	14.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for	-		9,45,000	14.01

	increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
	At the End of the year	945,000			

iv. Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GSRs & ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding at the end of the year March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Riddhi Ravindra Hegde	-	-	100	Negligible
2.	Naveen Alias Carvallo	-	-	5	Negligible
3.	Shekhar Thigaley	-	-	5	Negligible
4.	Kalavati Shettigar	-	-	5	Negligible

v. Shareholding of directors and key managerial personnel:

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding at the end of the year March 31, 2019	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ravindra Malinga Hegde	14.05.2018	Transfer	58,05,000	86	58,04,785	85.99
2.	Sujata Ravindra Hegde	14.05.2018	Transfer	945,000	14	9,45,000	14.01
3.	Saurav Ravindra Hegde	14.05.2018	Transfer	-	-	100	Negligible
4.	Naveen Alias Carvallo	14.05.2018	Transfer	-	-	5	Negligible

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	42,134,536 /-	49,578,318 /-	-	91,712,854/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	42,134,536 /-	49,578,318 /-	-	91,712,854/-
Change in indebtedness during the financial year				
▪ Addition	18,97,31,358 /-	1,25,10,740 /-	-	
▪ Reduction			-	
Net Change	18,97,31,358 /-	1,25,10,740 /-	-	2,02,24,2,018 /-
Indebtedness at the end of the financial year				
i) Principal amount	23,18,65,894/-	6,20,89,058/-	-	29,39,54,952/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	23,18,65,894/-	6,20,89,058/-	-	29,39,54,952/-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and / or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager	Sujata Ravindra Hegde (Executive Director)	Total Amount
		Ravindra Malinga Hegde (Managing Director)		
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	36,00,000	30,00,000	66,00,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-

4.	Commission	-		-
	as % of Profit			
5.	Others, please specify	-		-
Total (A)		36,00,000	30,00,000	66,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Sitting fees for attending Board/Committee Meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Abhibrat Shanker Kumar Das	15,000	-	-	15,000
	Brahm Pal Singh	15,000	-	-	15,000
	Ravi Vimal Nevatia	15,000	-	-	15,000
	Total	45,000			45,000

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Naveen Alias Carvallo (CFO)	Anubhav Shrivastava (Company Secretary)	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	376000*	209652*	
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961			
2.	Stock Option			-
3.	Sweat Equity			-
4.	Commission			-
	as % of Profit			-
5.	Other Allowances			-
	Total	376000*	209652*	-

* With effect from 24th August 2018.

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - III

Disclosure as per Section 197(12) of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ending March 31, 2019 and
- (b) The Percentage Increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year ending on March 31, 2019.

Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in FY 2018-19
Mr. Ravindra Malinga Hegde	Managing Director	16.65	NA
Mrs. Sujata Ravindra Hegde	Executive Director	13.87	
Mr. Saurav Hegde	Non-Executive Director	Being Non-Executive Directors, only sitting fees was paid and thus ratio is not given.	
Mr. Ravi Vimal Nevatia	Non-Executive and Independent Director		
Mr. Brahm Pal Singh	Non-Executive and Independent Director		
Mr. Abhibrat Shanker Kumar Das	Non-Executive and Independent Director		
Mr. Naveen Alias Carvallo ⁵	CFO	1.74	NA
Mr. Anubhav Shrivastava ⁵	Company Secretary	0.97	NA

Notes:

1. The percentage increase in the median remuneration of employees in the financial year 2018-19 is 79.37%
2. The number of permanent employees on the rolls of the Company in the financial year 2018-19 is 2044.
3. Average remuneration increase for non - managerial personnel of the Company during the financial year was 44.25% Remuneration increase is depending on the Company's performance as a whole, individual performance level and also market benchmarks.
4. It is hereby affirmed that that the remuneration paid is as per the remuneration policy of the Company.
5. Mr. Naveen Alias Carvallo and Mr. Anubhav Shrivastava have been appointed as CFO & Company Secretary and Compliance Officer respectively w.e.f. August 24, 2018.

ANNEXURE - IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward looking statement - Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Listed Companies are required to furnish Management Discussion and Analysis Report (MDAR) as a part of Director's Report to the Shareholders.

As per Schedule V of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, Annual Report shall contain the below points in the Management Discussion and Analysis Report (MDAR):

- Industry Structure and developments.
- Opportunities and Threats.
- Segment- Wise or Product- wise performance.
- Outlook.
- Risk and Concern.
- Internal Control System and their adequacy.
- Discussion on Financial performance with respect to operational performance.
- Material developments in Human Resources/ Industrial Relations front, including number of people employed.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Overview of the Indian Economy

The International Monetary Fund (IMF) has pared India's growth forecast for the just-concluded fiscal and the next two years, citing softer recent growth and weaker global outlook, but expects the country to retain its place as the fastest growing major economy. According to IMF estimates, India's economy grew 7.1% in FY19 and is expected to accelerate to 7.3% growth in FY20 and to 7.5% in FY21.

India's (GDP) growth is supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

FACILITY MANAGEMENT SERVICES GROWTH AND MARKET POTENTIAL

India facility management market to cross \$ 100 billion by 2023, anticipated growth in the market can be attributed to an increase in construction activities across commercial as well as residential sector. Moreover, various initiatives by Government to provide housing for all citizens and development of smart cities in India are further expected to positively influence India facility management market in the coming years.

Furthermore, rising population across tier 1 cities and continuing growth in IT/ ITeS and banking sectors would further steer India facility management market during the forecast period. The market is dominated by unorganized players.

The facility management and pest control industry is still largely dominated by unorganized players with localized operations. There continues to be a steady shift from the unorganized to the organized players and this market is expected to grow at around 20%. While IT/ITES have been the first users, we see an increasing shift towards outsourcing by hotels, hospitals, retail, airports, metros, commercial outlets and small retail or F&B outlets as well.

The trend towards outsourcing non-critical operations (FMS being primed among them) continues to be strong and as the market and industry expands, the scope of service offerings will expand, bringing in more revenue for the industry. The "Swachh Bharat" initiative by Government of India is expected to provide a major boost to facility management and cleaning services.

2. OPPORTUNITY & THREATS

- **Opportunity:**
 - Growth in real estate will be paired with a preference towards safe, clean and secure environment especially in residential sector.
 - Beyond the Tier 1 metros, demand is also expected to rise from the tier 2 and tier 3 cities due to increased business activities.
 - By 2025, around 38 % of India's population is predicted to live in urban regions, and cities will account for 80 % of India's GDP.
 - The government's ambitious plan to develop 100 smart cities, (attracting an investment of \$216 Billion into infrastructure), will result in a surge in infrastructure creation, driven by sustained population growth. This will create a sustained need for professional, holistic facilities maintenance services.

- **Threats:**

- The FM industry suffers from severe fragmentation and is dominated largely by the unorganized sector, primarily through local service providers.
- The low cost unorganized service providers often undercut the organized sector, as they have the capacity to absorb razor thin margins, due to their non-existent statutory compliance overheads.
- To transform the perception of FM services beyond traditional housekeeping services.
- While attractive from a price perspective, there is a hidden cost and risk involved, as local players are unable to provide FM services on par with global standards and best practices.

3. SEGMENT- WISE OR PRODUCT- WISE PERFORMANCE

The Company is engaged in the business of Integrated Hospitality and Facility Management Services. The company is dealing only in this single segment and hence segment wise performance is not applicable to the Company.

4. OUTLOOK

While reducing cost has traditionally been a dominating driver in the market development, in recent years the decision to outsource has moved beyond core versus non-core and cost reduction parameters. The outsourcing decision is being combined with adding value to customers and thereby supporting them in fulfilling their objectives. The value added requirements in this regard among others relate to improving the satisfaction levels of customers' employees and/or users and complying with human resources and health, safety and environment standards. By doing this the provider can ensure the customers a creditable risk transfer. In brief, adding value requires developing knowledge and competencies specifically addressing customers' needs.

It is anticipated that as the market becomes more mature that understanding of specific customer verticals needs and therefore requirements for specific value added skills become important for the choice of service supplier. This trend may also mean that provision of facility services contracts progressively move from being input (hours delivered) to output (service level delivered) based contracts as customers' concern over these value added parameters become increasingly important.

As a service supplier it hence becomes a business requirement to demonstrate commitment and verified company policies and show that a management system is in place that implements risk management in their activities complies with applicable legislation and strives for continuous improvement and compliance with human resources and health, safety and environment standards.

Further, service suppliers must work actively to address and show a good performance in reducing their environmental impact and acting on their corporate responsibility. These requirements are increasingly becoming prerequisites for tendering for large multi-national contracts.

5. RISK AND CONCERN

The Company's ability to foresee and manage business risk is crucial in its effort to achieve favorable results. We are also facing business risk, operational risk, trade risk, Company specific risk etc. huge working capital requirement is also one of the major concern for the business enterprises. The Company has taken necessary steps to overcome the risk factor and helps the organization to run smoothly.

6. INTERNAL CONTROL SYSTEM

The Company has in place an adequate system of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the period under review the total turnover of the Company Rs. 78,00,11,978 /- as compared to previous year Rs. 45,68,35,461 /-. The Profit before tax of the Company is Rs.3,65,39,704 /- as compared to previous year Rs. 3,12,89,251 /- and Profit after tax of the company stood at Rs.2,69,54,922 /- as compared to previous year Rs. 2,22,03,061 /-

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. The Company aims to develop the potential of every individual associated with the Company as a part of its business goals. The Company focuses on providing individual development and growth in a work culture that ensures high performance and remains empowering. The Company has employed over 2500 people (including contractual) strong and dedicated workforce travel abreast of the latest trends.

Key Financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to give details of significant changes (Change of 25% or more as compared to the immediately previous year) in key sector specified financial ratio.

PARTICULARS	STANDALONE		
	F.Y. 19	F.Y. 18	Variation
	2.23	1.61	38.64
Debtors Turnover ratio			
	3.36	3.88	-13.29
DEBT/EBIDTA			
	1.69	1.82	-6.99
Interest Coverage ratio			
	1.80	2.23	-19.48
Current Ratio			
	4.36	4.01	8.68
Debt-Equity Ratio			
	9.29	6.80	36.54
Operating Profit Margin			
	29.01	20.62	40.72
Net Profit Margin			
	0.40	0.33	21.40
Return on Net worth			

ANNEXURE - V

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee, in compliances with Section 178 of the Companies Act, 2013 read along with applicable rules thereto and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

APPLICABILITY:

The Policy is applicable to

- i. Directors (Executive and Non -Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Employees

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Ravi Vimal Nevatia, Chairman (Non -Executive Director and Independent Director)
- ii. Mr. Brahm Pal Singh, Member (Non -Executive Director and Independent Director)
- iii. Mr. Abhibrat Shanker Kumar Das, Member (Non -Executive Director and Independent Director)

GENERAL APPOINTMENT CRITERIA:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory

statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM / TENURE:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

- i. **Managing Director/Whole-time Director/Manager (Managerial Person):-** The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. **Independent Director:** - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves as an Independent Director.

REMUNERATION:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

GENERAL:

- i. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- iii. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
- iv. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance

shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

REMUNERATION TO MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT:

- i. **Fixed pay:** Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- ii. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- iii. **Provisions for excess remuneration:** If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

- i. **Remuneration / Commission:** The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- ii. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- iii. **Limit of Remuneration /Commission:** Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To

The Members

KHFM Hospitality & Facility Management Services Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of KHFM Hospitality & Facility Management Services Ltd (“the Company”), which comprises of the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provision of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters	How our audit addressed the key audit matter
Revenue recognition – Fixed price development contracts	
<p>The Company inter alia engages in Fixed-price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 2. III (a) to the standalone financial statements).</p> <p>We identified revenue recognition of fixed price development contract as a KAM considering –</p> <ul style="list-style-type: none"> ▢ There is an inherent risk around the accuracy of revenues given, the customized and complex nature of these contract; ▢ Application of revenue recognition accounting standard is complex and involved a number of key judgments and estimates including estimating the future cost-to-completion of these contract, which is used to determine the percentage of completion of the relevant performance obligation. ▢ This contract may involve onerous obligation on the company that require critical estimates to be made by management; and ▢ At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognized on the balance sheet. 	<p>Our audit procedures on revenue recognized from fixed price developments contract included</p> <ul style="list-style-type: none"> ▢ Obtaining an understanding of the systems, process and control implemented by management for recording and calculating revenue and the associated contract assets, unearned and deferred revenue balances. ▢ On selected samples of contracts, we tested that the revenue recognized is in accordance with the accounting standard by- <ul style="list-style-type: none"> ▸ Evaluating the identification of performance obligation; ▸ Testing management's calculation of the estimation of contract cost and onerous obligation, if any. We: ▸ Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management; ▸ Performed a retrospective review of cost incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract' ▸ Assessed the appropriateness of work in progress (contract assets) on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones

	<p>which may require change in estimated costs to complete the remaining performance obligation; and</p> <p>☐ Performed test of details including analytics to determine reasonableness of contract costs.</p>
Adoption of Ind AS 115 – Revenue from Contract with Customers	
<p>As described in Note 2 II (a) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contract with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.</p> <p>The revenue standard established a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandated robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>The Company adopted Ind AS 115 and applied the available exemption provided there in, to not restate the comparative periods.</p>	<p>Our audit procedures on adoption of Ind AS 115, Revenue from contract with Customers ('Ind AS 115'), which is the new revenue accounting standard, include-</p> <ul style="list-style-type: none"> ▮ Evaluated the design and implementation of the processes and internal control relating to implementation of the new revenue accounting standard; ▮ Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams ▮ Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and <p>☐ Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</p>

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, 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 circumstance. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control with reference to standalone financial statements 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.
- ▢ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

- the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.

(A) As required by Section 143(3) of the Act, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigation as at 31 March 2019 on its financial position in its standalone financial statements-Refer Note 33 to the standalone financial statements.
- ii The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts-Refer Note 18 and 19 to the standalone financial statements.
- iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Iv The disclosures in the standalone financial statements regarding holding as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanation given to us, the remuneration paid by the company to this director during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Bhushan Khot & Co.
Chartered Accountants
(Firm's Registration No. 116888W)

Sd /-

Bhushan Khot
(Partner)
Membership No. 101858
Place: Mumbai
Date: 30th May 2019

Annexure A to the Independent Auditor's Report

With reference to the Annexure A reference to in the Independent Auditor's Report to the member of the Company on the standalone financial statements for the year ended 31St March 2019, we report the following:

1. (a) The Company has maintained proper record showing full, including quantitative details and situation of fixed assets.

(b) The Company has a regular Programme of physical verification of its fixed assets., by which all fixed assets are verified in a phased manner over a period of three year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its asserts. Pursuant to the Programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
2. The inventory has been physically verified by the management during the year. In our opinion. The frequency of such verification is reasonable. The Company has maintained proper record of inventory. The discrepancies noticed on verification between the physical stock and the book record were not material.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to company, Firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a)(b) and
(c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loan given, investments made, guarantees and securities given.
5. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act. Any other relevant provisions of the Act and the relevant rules framed thereunder.
6. The Central Government has not prescribed the maintained of cost records under Section 148 of the Act for any of the services rendered by the Company.
7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee State Insurance, Income tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, no undisputed amount payable in respect of Provident fund, Employee State Insurance, Income tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than Six months from the date they become payable.

(b) According to the information and explanation given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and service tax or duty of Customs or duty of excise or value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (in Lakh)	Period	From where dispute is pending
The Financial Act, 1994	Service tax	625.79	2007-2008, to 2014-15	The Principle Commissioner GST and Central Excise Mumbai –East

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayments of loans or borrowings to banks. The Company did not have any outstanding loans or borrowing from financial institution or governments and there are no dues to debenture holders during the year.
9. In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanation given to us and based on examination of the record of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Scheduled V to the Act.
11. According to the information and explanation given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
12. According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transaction have been disclosed in the standalone financial statements as required by the applicable accounting standards.
13. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year, Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

14. According to the information and explanation given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
15. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Bhushan Khot & Co.
Chartered Accountants FRN
116888W

Sd/-

CA Bhushan Khot
Partner
Mem. No. 101858
Place: Mumbai
Date : 30th May 2019

“ANNEXURE B” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 A(f) under “Report on Other Legal and Regulatory Requirements” section of four report of even date)

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of KHFM Hospitality & Facility Management Services Ltd (“the Company”) as of March 31, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statement 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, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 with reference to financial statements, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bhushan Khot & Co.

Chartered Accountants FRN
116888W

Sd /-

CA Bhushan Khot

Partner

Mem. No. 101858

Place: Mumbai

Date : 30th May 2019

**M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES
LIMITED (CIN - U74930MH2006PLC159290)**

BALANCE SHEET AS AT 31ST MARCH, 2019

All Amount in INR

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A	ASSETS				
	Non-Current Assets				
	(a) Property, Plant and Equipment	3	1,94,54,221	2,12,41,079	2,17,58,173
	(b) Capital Work in Progress		-	-	-
	(c) Intangible Assets		-	-	-
	(d) Intangible Assets Under Development	3	42,000	-	-
	(c) Financial Assets				
	(i) Investments	4	5,00,000	5,00,000	5,00,000
	(ii) Loans				
	(iii) Other Financial Assets	5	3,78,92,697	3,68,05,750	3,37,99,207
	(d) Deferred Tax Assets (Net)	6	8,18,261	-	-
	(e) Other Non-Current Assets		-	-	-
			5,87,07,178	5,85,46,829	5,60,57,380
	Current Assets				
	(a) Inventories	7	3,29,001	4,41,754	25,68,772
	(b) Financial Assets				
	(i) Investments				
	(i) Trade Receivables	8	40,10,98,665	29,99,27,575	26,89,60,427
	(ii) Cash and Cash Equivalents	9	4,17,86,421	2,56,51,247	1,59,12,810
	(iii) Bank Balances other than (ii) above		-	-	-
	(iv) Other Financial Assets		-	-	-
	(c) Current Tax Assets (Net)	10	8,66,235	11,21,105	3,04,870
	(d) Other Current Assets	11	7,71,45,015	12,13,99,226	5,31,12,035
			52,12,25,338	44,85,40,907	34,08,58,914
	Total Assets		57,99,32,516	50,70,87,737	39,69,16,294
B	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share Capital	12	6,75,00,000	6,75,00,000	67,50,000
	(b) Other Equity	13	14,32,38,184	11,62,83,262	15,48,30,201
			21,07,38,184	18,37,83,262	16,15,80,201
	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	7,91,43,484	12,05,83,653	8,40,00,877
	(b) Deferred Tax Liability (Net)	6	-	9,23,424	10,09,973
	(c) Provisions		-	-	-
	(d) Other Non-Current Liabilities	15	3,45,631	10,45,115	-
			7,94,89,115	12,25,52,192	8,50,10,850
	Current Liabilities				
	(a) Financial Liabilities				
	(ii) Current Borrowings	16	17,09,06,407	14,98,97,501	13,90,38,196
	(ii) Trade Payables	17	2,43,66,435	1,64,92,970	50,13,254
	(b) Other Current Liabilities	18	7,80,31,156	3,42,53,542	62,73,793
	(c) Provisions	19	1,64,01,219	1,08,270	-
			28,97,05,217	20,07,52,283	15,03,25,243
	Total Equity and Liabilities		57,99,32,516	50,70,87,737	39,69,16,294

Significant Accounting Policies

See accompanying Notes to the Financial Statements

As per our Attached report of even date

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For BHUSHAN KHOT & CO
Chartered Accountants
(FRN: 116888 W)

**For and on behalf of Board of
KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**

Sd /-

Sd /-

Sd /-

Bhushan Khot
Partner
M. No. 101858

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Suajata Ravindra Hegde
Director
DIN No. - 01829352

Place: Mumbai
Date: 30th May 2019

Sd /-
Naveen Carvallo
Chief Financial Officer

Sd /-
Anubhav Shrivastava
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

All Amount in INR				
	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	Revenue from Operations	20	78,00,11,978	45,68,35,461
II	Other Income	21	20,49,075	9,45,047
III	Total Income (I+II)		78,20,61,053	45,77,80,508
IV	EXPENSES			
	Cost of Material Consumed	22	4,76,67,676	3,47,23,538
	Employee Benefits Expense	23	46,41,62,911	32,17,77,375
	Finance Cost	24	4,97,08,898	3,69,53,192
	Depreciation and Amortization Expense	3	31,79,641	24,21,600
	Other Expenses *	25	18,08,02,223	3,06,15,552
	Total Expenses (IV)		74,55,21,349	42,64,91,257
V	Profit/(loss) before exceptional items and tax (III- IV)		3,65,39,704	3,12,89,251
VI	Exceptional Items		-	4,25,405
VII	Profit/(Loss) before Tax (V-VI)		3,65,39,704	3,08,63,846
VIII	Tax Expense:	26		
	(1) Current Tax		1,01,97,007	85,24,236
	(2) Reversal of Provision of Income Tax		11,29,460	50,000
	(3) Deferred Tax		(17,41,685)	86,549
	Total Tax Expense		95,84,782	86,60,785
IX	Profit (Loss) for the period (VII-VIII)		2,69,54,922	2,22,03,061
X	Other Comprehensive Income			
	(1) Items that will not be reclassified to Statement of Profit & Loss			
	Re-measurement (Gain)/Loss on Defined Benefit Plan		-	-
	(2) Income tax relating to items that will not be reclassified to Statement of Profit & Loss		-	-
XI	Total Comprehensive Income for the period (IX+X)		2,69,54,922	2,22,03,061
XII	Earnings per Equity Share	21		
	(1) Basic		3.99	32.89
	(2) Diluted		3.99	3.29

**

* Other Expenses include allowances for Bad & Doubtful Debts
** After Considering allotment of Bonus Equity Shares (Refer Note 22)

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1-33

As per our Attached report of even date

For BHUSHAN KHOT & CO
Chartered Accountants
(FRN: 116888 W)

For and on behalf of Board of
KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Sd /-

Sd /-

Sd /-

Bhushan Khot
Partner
M. No. 101858

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Suajata Ravindra Hegde
Director
DIN No. - 01829352

Sd /-

Sd /-

Place: Mumbai
Date: 30th May 2019

Naveen Carvallo
Chief Financial Officer

Anubhav Shrivastava
Company Secretary

CASH FLOW STATEMENT

		All Amount in INR	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before Tax	3,65,39,704	3,08,63,846
	Adjustment for:		
	Depreciation and Amortization Expense	31,79,641	24,21,600
	Interest Expenses	3,79,97,124	2,92,29,988
	Bank charges ,Commission & Processing Fees	1,17,11,774	77,23,204
	Interest paid on Security Deposit	-	-
	Allowance for Doubtful Debts	81,85,687	-
	Balances Written Back	-	-
	Reversal of Allowance for Doubtful Debts	-	-
	Mark-to-Market (Gain)/Loss on Investments	-	-
	Profit on sale of Property, Plant & Equipment	-	-
	Interest Income on Security Deposit	-	-
	Interest Income on Fixed Deposit and Income Tax Refund	(10,84,174)	(5,70,047)
	Operating Profit before Working Capital changes	9,65,29,756	6,96,68,591
	Adjustment for:		
	(Increase)/decrease in Trade Receivables	(10,93,56,777)	(3,09,67,148)
	(Increase)/decrease in Other Current Financial Assets	-	-
	(Increase)/decrease in Non-Current Loans	-	-
	(Increase)/decrease in Other Non-Current Financial Assets	(10,86,947)	(30,06,543)
	(Increase)/decrease in Other Current Assets	4,42,54,211	(6,82,87,191)
	(Increase)/decrease in Non-Current Assets	-	-
	(Increase)/decrease in Inventories	1,12,753	21,27,018
	Increase/(decrease) in Trade-Payable	78,73,465	1,14,79,716
	Increase/(decrease) in Other Current Financial Liability	2,10,08,906	1,08,59,305
	Increase/(decrease) in Non Current Financial Liability	(6,99,484)	-
	Increase/(decrease) in Provision	1,51,12,334	1,08,270
	Increase/(decrease) in Other Non-Current Financial Liability	(3,98,03,454)	3,77,11,977
	Increase/(decrease) in Current Liability	4,37,77,614	2,79,79,749
	Increase/(decrease) in Non-Current Liability	-	-
	Cash Generated from Operations	7,77,22,377	5,76,73,743
	Direct Taxes Paid	(1,01,45,852)	(86,70,915)
	Net Cash from Operating Activities (A)	6,75,76,525	4,90,02,828
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment	(14,34,783)	(19,04,505)
	Sale of Property, Plant & Equipment	-	-
	Fixed Deposits matured/realised	74,28,037	5,00,000
	Fixed Deposits placed	(1,86,17,356)	(11,27,766)
	Investment in Mutual Funds	5,77,800	-
	Interest Received	10,84,174	5,70,047
	Net Cash used in Investing Activities (B)	(1,09,62,128)	(19,62,224)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Expenses	(3,96,33,839)	(3,03,59,189)
	Bank charges ,Commission & Processing Fees	(1,17,11,774)	(77,23,204)
	Dividend Paid	-	-
	Tax on Dividend	-	-
	Net Cash from Financing Activities (C)	(5,13,45,613)	(3,80,82,393)
	Net Changes in Cash and Cash Equivalents (A+B+C)	52,68,784	89,58,211
	Opening Balance of Cash and Cash Equivalents	1,45,97,013	56,38,802
	Closing Balance of Cash and Cash Equivalents	1,98,65,797	1,45,97,013

Notes:-

1 The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard (Ind AS) Cash Flow statement prescribed in the The Companies (Indian Accounting Standards) Rules, 2015. Cash flow statement presents cash flows by operating, investing and financing activities.

2 Cash and Cash Equivalents at the year end comprises

Cash on Hand	46,78,223	59,14,082
In Current Account	1,51,87,575	86,82,931
	1,98,65,797	1,45,97,013

As per our Attached report of even date

For BHUSHAN KHOT & CO
Chartered Accountants
(FRN: 116888 W)

Sd /-

Bhushan Khot
Partner

M. No. 101858

Place: Mumbai

Date: 30th May 2019

For and on behalf of Board of
KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Sd /-

Ravindra Malinga Hegde
Director

DIN No. - 01821002

Sd /-

Naveen Carvalho
CFO

Sd /-

Sujata Ravindra Hegde
Director

DIN No. - 01829352

Sd /-

Anubhav Shrivastava
Company Secretary

STATEMENT OF CHANGES IN EQUITY

A Equity Share Capital

All Amount in INR

Particulars	Amount
Balance as at 31st March, 2016	67,50,000
Changes in equity share capital during 2016-17	-
Balance as at 31st March, 2017	67,50,000
Changes in equity share capital during 2017-18	6,07,50,000
Balance as at 31st March, 2018	6,75,00,000
Changes in equity share capital during 2018-19	-
Balance as at 31st March, 2019	6,75,00,000

B Other Equity

All Amount in INR

Particulars	Securities Premium	Retained Earnings	Total
Balance as at 31st March, 2017	1,31,25,000	14,17,05,201	15,48,30,201
Profit/(Loss) for the period	-	2,22,03,061	2,22,03,061
Other Comprehensive income	-	-	-
Total Comprehensive Income for the year	-	2,22,03,061	2,22,03,061
Transaction with owners, recorded directly in Equity			
Contribution by and Distributions to Owners	1,31,25,000	4,76,25,000	6,07,50,000
Dividend (including tax)(Refer Note-17)	-	-	-
Balance as at 31st March, 2018	-	11,62,83,262	11,62,83,262
Profit /(Loss) for the period	-	2,69,54,922	2,69,54,922
Other Comprehensive income (Net of Tax)	-	-	-
Total Comprehensive Income for the Year	-	2,69,54,922	2,69,54,922
Transaction with owners, recorded directly in Equity			
Contribution by and Distributions to Owners	-	-	-
Dividend (including tax)(Refer Note-17)	-	-	-
Balance as at 31st March 2019	-	14,32,38,184	14,32,38,184

As per our Attached report of even date

For BHUSHAN KHOT & CO
Chartered Accountants
(FRN: 116888 W)

For and on behalf of Board of
KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Sd /-

Sd /-

Sd /-

Bhushan Khot
Partner
M. No. 101858

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Suajata Ravindra Hegde
Director
DIN No. - 01829352

Sd /-

Sd /-

Place: Mumbai
Date: 30th May 2019

Naveen Carvalho
Chief Financial Officer

Anubhav Shrivastava
Company Secretary

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

CIN – U74930MH2006PLC159290

Notes to Financial Statements for the year ended March 31, 2019

1. CORPORATE INFORMATION

The Company

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED (the Company) was originally incorporated as KALPATARU'S HOSPITALITY AND FACILITY MANAGEMENT SERVICES PRIVATE LIMITED under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated January 27, 2006 issued by the Registrar of Companies, Mumbai Maharashtra (CIN U74930MH2006PTC159290).

Pursuant to having passed necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956 read with Government of India, Department of Company Affairs, New Delhi, Notification No. GSR 507(E) dated 24/06/1985 vide SRN B45036902 dated 10/08/2012 the name of the said company was changed to **KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES PRIVATE LIMITED**, wef **August 10th, 2012**.

Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 18th, 2018, the company was converted from “**KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES PRIVATE LIMITED**” to “**KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED**” vide a fresh Certificate of Incorporation dated May 30th, 2018 issued by the Registrar of Companies, Mumbai, Maharashtra, The Corporate Identification Number of our Company is **U74930MH2006PLC159290**.

Nature of Operations

The Company is engaged in the business activities of Facility Management (including House Keeping and Pest Control), Hospitality Management & Catering, Horticulture and Gardening and Security Services and such other related activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION and PRESENTATION:

The Separate financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013('Act') (to the extent notified) read with the Rules 3 of the Companies (Indian accounting standard) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements are prepared on going concern, accrual and historical cost basis except for the following assets and liabilities and items of Statement of Profit and Loss which have been measured at fair value:

1. Defined Benefit Plans – Plan Assets
2. Equity Settled Share Based Payments and

3. Certain Financial assets and liabilities measured at fair value.

The company has adopted Ind AS and the adoptions were carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards with transition date of 1st April, 2017.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

The financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest rupees (INR), except when otherwise indicated.

The financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 30th of May, 2019.

The company does not have any investment in subsidiary and also requirement to prepare consolidated financial statements under Ind AS 110 is not applicable to the Company.

Ind AS 101.6 states that "An entity shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind AS." Further, Ind AS 101.21 states that "An entity's first Ind AS financial statements shall include at least three Balance Sheets, two Statements of profit and loss, two Statements of cash flows and two Statements of changes in equity and related notes, including comparative

Subsequent to the first Ind AS financial statements, Ind AS 1.40A requires an entity to present a third balance sheet as at the beginning of the preceding period if:

- (a) It applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and

The retrospective application, retrospective restatement or the reclassification has a material effect on the information in the third balance sheet.

II. USE OF ESTIMATION:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized 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.

A liability is classified as 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.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government i.e. it is net of indirect taxes in its Profit & Loss Account. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

i) Interest:-

· Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. The Rate applicable is defined as determined on the basis of Fair Rate of Return in accordance with IND AS.

ii) Dividend:-

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

iii) Rent Income:-

Rent Income is recognized on the basis of agreed periodic amount decided through agreement.

iv) Profit on sale of investment:-

It is recognized on its liquidation/redemption.

IV. TRANSACTION AND BALANCES

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and Balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (except financial instruments designated as Hedge Instruments) are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item

(i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

V. FAIR VALUE MEASUREMENT

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

The Company has recognized reimbursement of Interest as well as issue expenses at the time of calculation of Fair Rate of Return and consequent adjustments is furnished in the accompanying Financial Statements.

VI. TAXES

CURRENT INCOME TAX

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DEFERRED TAX

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

The unrecognized deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognized for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MINIMUM ALTERNATE TAX (MAT)

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

VII. NON-CURRENT ASSETS HELD FOR SALE

The Company classifies non-current asset (or disposal group) as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such asset should be available for sale and plan to dispose it off should be initiated by the management. The assets of a disposal group classified as held for sale separately from other asset in the balance sheet and such asset are valued at carrying amount or net realizable value whichever is lower.

VIII. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are stated at cost, net of recoverable taxes, trade discount & rebated less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as per – operative expenses and disclosed under Capital Work – in – Progress.

Depreciation on Property, Plant and Equipment is provided on a pro-rata basis on the Written Down Value method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 only.

The Details of useful life of an assets and its residual value estimated by the management are as follows :

Type of Assets	Useful life as per Schedule II
Office Premises	60 Years
Equipments (Plant & Machineries)	15 Years
Vehicles – Three & Four Wheelers	8 Years
Office Equipments	15 Years
Furniture & Fixtures	10 Years
Computers (Servers & Networks)	6 Years

In none of the case the residual value of an assets is more than five percent of the Original Cost of the assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

IX. IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets, property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

X. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

XI. PROVISIONS, CONTINGENT ASSETS & CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

XII. EMPLOYEE BENEFITS

Short Term Employee Benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employees are recognized as an expense during when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, the excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the company at the time of resignation/superannuation. The gratuity fund has been approved by respective Income Tax authorities.

The liability in respect of gratuity and other post –employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which

XIII. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

INITIAL RECOGNITION

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets.

SUBSEQUENT RECOGNITION

(i) Financial Assets Carried at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

(ii) Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to profit and loss.

(iii) **Financial Assets at Fair Value through Profit or Loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognized in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fairvalue.

FINANCIAL LIABILITIES

INITIAL RECOGNITION

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless a initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

SUBSEQUENT RECOGNITION

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

DERECOGNITION

A Financial liability dercognised when the obligation specified in the contract is discharged, cancelled or expires.

IMPAIRMENT OF FINANCIAL ASSETS

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

DERECOGNITION

(a) FINANCIAL ASSETS

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

(b) FINANCIAL LIABILITIES

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

RECLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

XIV. CASH & CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft as they being considered as integral part of the Company's cash management system.

XV. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

XVI. EARNINGS PER SHARE

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

XVII. SEGMENT REPORTING

In accordance with Ind AS 108 on Operating Segments, the Company has identified its business segment as "Hospitality & Facility Management Services". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

XVIII. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease

liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to

(a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would

depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-

related costs are generally Recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are Recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are Recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date and
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the Recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-

controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being Recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is Recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been Recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period(see above), or additional assets or liabilities are Recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

XIX. DIVIDEND AND INTEREST INCOME

Dividend income from investments is Recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is Recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's

net carrying amount on initial recognition.

XX. INVENTORIES

Items of inventories are measured in at lower cost & net realisable value after providing for obsolescence, if any except in case of by-products which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing material, trading and other products are determined on weighted average basis.

XXI. INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value Recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

XXII. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition of Investment at Co-op Banks which are unlisted to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading and as the Fair Value of the Same is not available, the same is recorded at Cost.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be

designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on Remeasurement Recognised in profit or loss. The net gain or loss Recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is Recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

XXIII. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March, 2019 were approved by the Board of Directors on 30th May, 2019.

The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

XXVIII. FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are Recognised, in respect of each class, financial liability and equity instruments to the financial statements

Financial Assets and Liabilities

(a)The Carrying values of Financial Assets and Liabilities have been given under:

31st March 2019	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Loan and Advances	-	-	-	-
Other Non-Current Financial Assets	-	-	3,78,92,697	3,78,92,697
Current Assets:-				
Investments	-	-	-	-
Trade receivables	-	-	40,10,98,665	40,10,98,665
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-				
Borrowings	-	-	7,91,43,484	7,91,43,484
Other financial liabilities	-	-	-	-
Current :-				
Borrowings	-	-	17,09,06,407	17,09,06,407
Trade payables	-	-	2,43,66,435	2,43,66,435
Other financial liabilities	-	-	-	-

31st March 2018	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Loan and Advances	-	-	-	-
Other Non-Current Financial Assets	-	-	3,68,05,750	3,68,05,750
Current Assets:-				
Investments	-	-	-	-
Trade receivables	-	-	29,99,27,575	29,99,27,575
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-				
Borrowings	-	-	12,05,83,653	12,05,83,653
Other financial liabilities	-	-	-	-
Current :-				
Borrowings	-	-	14,98,97,501	14,98,97,501
Trade payables	-	-	1,64,92,970	1,64,92,970
Other financial liabilities				

1st April 2017	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
<u>Financial Asset :</u>				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Loan and Advances	-	-	-	-
Other Non-Current Financial Assets	-	-	3,37,99,207	3,37,99,207
Current Assets:-				
Investments	-	-	-	-
Trade receivables	-	-	26,89,60,427	26,89,60,427
Other Financials Assets	-	-	-	-
<u>Financial Liability :</u>				
Non-Current :-				
Borrowings	-	-	8,40,00,877	8,40,00,877
Other financial liabilities	-	-	-	-
Current :-				
Borrowings	-	-	13,90,38,196	13,90,38,196
Trade payables	-	-	50,13,254	50,13,254

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2019, 31st March, 2018 and 1st April, 2017 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant each of year presented.

C) Reconciliations between Previous GAAP and Ind AS

i) Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2019 and 31st March, 2018:

Particulars	BALANCESHEET AS ON 31.3.2019			BALANCESHEET AS ON 31.3.2018		
	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS						
Non-Current Assets						
(a) Property, Plant and Equipment	1,94,54,221		1,94,54,221	2,12,41,079		2,12,41,079
(b) Intangible Assets Under Development	42,000		42,000			
(c) Financial Assets						
(i) Investments	5,00,000		5,00,000	5,00,000		5,00,000
(ii) Loans						
(iii) Other Financial Assets	3,78,92,697		3,78,92,697	3,68,05,750		3,68,05,750
(d) Deferred Tax Assets (Net)	(6,86,939)	15,05,200	8,18,261	-	-	-
(e) Other Non-Current Assets						
Current Assets						
(a) Investments						
(b) Inventories	3,29,001		3,29,001	4,41,754		4,41,754
(c) Financial Assets						
(i) Trade Receivables	40,92,84,352	(81,85,687)	40,10,98,665	29,99,27,575		29,99,27,575
(ii) Cash and Cash Equivalents	4,17,86,421		4,17,86,421	2,56,51,247		2,56,51,247
(iii) Bank Balances other than (ii) above						
(iv) Other Financial Assets						
(d) Current Tax Assets (Net)	9,52,785	(86,550)	8,66,235	12,07,655	(86,550)	11,21,105
(e) Other Current Assets	7,71,45,015		7,71,45,015	12,13,99,226		12,13,99,226
Total Assets	58,66,99,552	(67,67,037)	57,99,32,516	50,71,74,287	(86,550)	50,70,87,737
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	6,75,00,000		6,75,00,000	6,75,00,000		6,75,00,000
(b) Other Equity	14,54,91,747	(22,53,563)	14,32,38,184	11,55,57,333	7,25,929	11,62,83,262
Liabilities						
Non-Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	8,19,09,400	(27,65,916)	7,91,43,484	12,17,12,854	(11,29,201)	12,05,83,653
(b) Deferred Tax Liability (Net)				6,06,702	3,16,722	9,23,424
(c) Provisions						
(d) Other Non-Current Liabilities	3,45,631		3,45,631	10,45,115		10,45,115
Current Liabilities						
(a) Financial Liabilities						
(ii) Current Borrowings	17,09,06,407		17,09,06,407	14,98,97,501		14,98,97,501
(ii) Trade Payables	2,43,66,435		2,43,66,435	1,64,92,970		1,64,92,970
(b) Deferred Tax Liability (Net)						
(c) Other Current Liabilities	7,80,31,156		7,80,31,156	3,42,53,542		3,42,53,542
(d) Provisions	1,81,48,776	(17,47,557)	1,64,01,219	1,08,270		1,08,270
Total Equity and Liabilities	58,66,99,552	(67,67,037)	57,99,32,516	50,71,74,287	(86,550)	50,70,87,737

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The Company has fair valued the transaction of financial guarantee (under Other Financial Liabilities) on the basis of internal comparable of a similar transaction with an unrelated party. The fair value so determined will therefore be classified under Level 2. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

The cost of unquoted investments approximate the fair value because there is a wide range of possible fair valued measurements and the cost represents estimate of fair valued within that range.

C) Financial risk management

i) Risk management framework

a) The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the risk management policies. The Company reports regularly to the Board of Directors on its activities.

b) 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 Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which the employees understand their roles and obligations.

c) The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

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, investments in debt securities, loans given to related parties and project deposits. The carrying amount of financial assets represents the maximum credit exposure.

· Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's Credit risk in this respect. The Company's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects of vary in sizes and types with numerous different customer categories in a large number of geographical markets. Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required. Also the Company does not have any significant concentration of credit risk.

The ageing of trade receivables is as follows:

Particulars	31st March, 2019	31st March, 2018	01st April, 2017
Trade Receivables (Unsecured)			
Over six months	17,20,70,103	4,74,56,791	3,11,50,960
Less than six months	23,72,14,249	25,24,70,783	23,78,09,468

The amounts reflected in the table above are not impaired as on the reporting date.

a) Cash and Bank Balances

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

· Exposure to Liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2019

Particulars	Due within 12 months	Due within 1 to 3 years	More than 3 years
Financial Liabilities			
Borrowings	17,09,06,407	4,29,88,254	3,61,55,230
Trade payables	2,43,66,435		
Other financial liabilities			
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2018			
Financial Liabilities			
Borrowings	14,98,97,501	8,07,59,965	3,98,23,688
Trade payables	1,64,92,970		
Other financial liabilities			
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1st April, 2017			
Financial Liabilities			
Borrowings	13,90,38,196	3,69,59,652	4,70,41,225
Trade payables	50,13,254		
Other financial liabilities			

c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

• Currency risk

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

• Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various Variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk.

The interest rate profile of the Company's interest bearing financial instruments as reported to the management is as follows:

Particulars	31 st March, 2019	31 st March, 2018	1 st April, 2017
Financial Assets			
Fixed rate instruments			
Bank Deposits			
- Current	1,51,87,575-	86,82,931	39,32,257
- Non Current	2.19,20,624-	97,51,838	89,26,612
Financial Liabilities			
Fixed rate instruments			
Borrowing	-	-	-
Variable rate instruments			
Borrowing			
- From Schedule Bank	22,39,92,264	16,94,32,690	15,44,94,845
- From Financial institutions	2,60,57,627	10,10,48,464	6,85,44,228

XXIX. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

First-time adoption of Ind-AS

The transition as at April 1, 2017 to Ind As was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 – First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below:

Exemptions availed on first time adoption of Ind-AS 101

A) Optional Exemptions availed

i) Property, Plant & Equipment and Intangibles

As permitted by Ind As 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

ii) Investment in Subsidiary

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. April 1, 2017 in its separate financial statements.

B) Mandatory Exemption

i) Estimates

Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with the Ind AS at date of transition as these were not required under previous GAAP:

- Fair valuation of financial Instruments carried at FVTPL and/or FVOCI
- Determination of the discounted value for financial instruments carried at amortized cost

ii) De-recognition of financial assets and liabilities Ind AS 101 requires a first time adopter to apply the de-recognition provision of Ind AS 109 prospectively for transactions on or after the date of transition to Ind As. Accordingly, the Company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) Classification and measurement of financial assets

The Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

C) Reconciliations between Previous GAAP and Ind AS

i) Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2019 and 31st March, 2018:

Particulars	BALANCESHEET AS ON 31.3.2019			BALANCESHEET AS ON 31.3.2018		
	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS						
Non-Current Assets						
(a) Property, Plant and Equipment	1,94,54,221		1,94,54,221	2,12,41,079		2,12,41,079
(b) Intangible Assets Under Development	42,000		42,000			
(c) Financial Assets						
(i) Investments	5,00,000		5,00,000	5,00,000		5,00,000
(ii) Loans						
(iii) Other Financial Assets	3,78,92,697		3,78,92,697	3,68,05,750		3,68,05,750
(d) Deferred Tax Assets (Net)	(6,86,939)	15,05,200	8,18,261	-	-	-
(e) Other Non-Current Assets						
Current Assets						
(a) Investments						
(b) Inventories	3,29,001		3,29,001	4,41,754		4,41,754
(c) Financial Assets						
(i) Trade Receivables	40,92,84,352	(81,85,687)	40,10,98,665	29,99,27,575		29,99,27,575
(ii) Cash and Cash Equivalents	4,17,86,421		4,17,86,421	2,56,51,247		2,56,51,247
(iii) Bank Balances other than (ii) above						
(iv) Other Financial Assets						
(d) Current Tax Assets (Net)	9,52,785	(86,550)	8,66,235	12,07,655	(86,550)	11,21,105
(e) Other Current Assets	7,71,45,015		7,71,45,015	12,13,99,226		12,13,99,226
Total Assets	58,66,99,552	(67,67,037)	57,99,32,516	50,71,74,287	(86,550)	50,70,87,737
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	6,75,00,000		6,75,00,000	6,75,00,000		6,75,00,000
(b) Other Equity	14,54,91,747	(22,53,563)	14,32,38,184	11,55,57,333	7,25,929	11,62,83,262
Liabilities						
Non-Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	8,19,09,400	(27,65,916)	7,91,43,484	12,17,12,854	(11,29,201)	12,05,83,653
(b) Deferred Tax Liability (Net)				6,06,702	3,16,722	9,23,424
(c) Provisions						
(d) Other Non-Current Liabilities	3,45,631		3,45,631	10,45,115		10,45,115
Current Liabilities						
(a) Financial Liabilities						
(ii) Current Borrowings	17,09,06,407		17,09,06,407	14,98,97,501		14,98,97,501
(ii) Trade Payables	2,43,66,435		2,43,66,435	1,64,92,970		1,64,92,970
(b) Deferred Tax Liability (Net)						
(c) Other Current Liabilities	7,80,31,156		7,80,31,156	3,42,53,542		3,42,53,542
(d) Provisions	1,81,48,776	(17,47,557)	1,64,01,219	1,08,270		1,08,270
Total Equity and Liabilities	58,66,99,552	(67,67,037)	57,99,32,516	50,71,74,287	(86,550)	50,70,87,737

ii) Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Effect of Ind AS adoption on the Profit and Loss for the period ended 31st March, 2019 and 31st March, 2018

Particulars	Profit & Loss For the period 31st March, 2019			Profit & Loss For the period 31st March, 2018		
	IGAAP	Effects of transition to Ind- AS	Ind AS	IGAAP	Effects of transition to Ind- AS	Ind AS
Revenue from Operations	78,00,11,978		78,00,11,978	49,93,20,525		49,93,20,525
Other Income	20,49,075		20,49,075	9,45,047		9,45,047
Total Income	78,20,61,053		78,20,61,053	50,02,65,572	-	50,02,65,572
EXPENSES						
Cost of Material Consumed	4,76,67,676		4,76,67,676	3,47,23,538		3,47,23,538
Employee Benefits Expense	46,41,62,911		46,41,62,911	32,17,77,375		32,17,77,375
Finance Cost	5,13,45,613	(16,36,715)	4,97,08,898	3,80,82,393	(11,29,201)	3,69,53,192
Depreciation and Amortization Expense	31,79,641		31,79,641	24,21,600		24,21,600
Other Expenses *	17,26,16,536	81,85,687	18,08,02,223	7,31,00,616		7,31,00,616
Total Expenses	73,89,72,377	65,48,972	74,55,21,349	47,01,05,522	(11,29,201)	46,89,76,321
Profit/(loss) before exceptional items, extraordinary items	4,30,88,676	65,48,972	3,65,39,704	3,01,60,050	11,29,201	3,12,89,251
Exceptional Items	-			(4,25,405)		(4,25,405)
Profit/(Loss) before Tax (V-VI)	4,30,88,676		3,65,39,704	2,97,34,645		3,08,63,846
Tax Expense:	-					
(1) Current Tax	1,19,44,564	(17,47,557)	1,01,97,007	86,10,785	(86,549)	85,24,236
(2) Reversal of Provision of Income Tax	11,29,460		11,29,460	50,000		50,000
(3) Deferred Tax	80,238	17,47,557	(17,41,685)	(4,03,271)	(3,16,722)	86,549
Total Tax Expense	1,31,54,262		95,84,782	82,57,514		86,60,785
Profit (Loss) for the period (VII-VIII)	2,99,34,414		2,69,54,922	2,14,77,131		2,22,03,061

As per our report of even date attached For and on behalf of the Board

For Bhushan Khot & Co.

For KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Chartered Accountants

Firm Regn No. 116888W

Sd /-

Sd /-

Sd /-

Ravindra M Hegde

Sujata R Hegde

Director

Director

Bhushan Khot

DIN – 01821002

DIN - 01829352

Partner

M No. 101858

Sd /-

Sd /-

Place: Mumbai

Naveen Carvallo

Anubhav Shrivastava

Date: 30th May, 2019

Chief Financial Officer

Company Secretary

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - U74930MH2006PLC159290)

NOTES TO FINANCIAL STATEMENTS

All Amount in INR

3 PROPERTY, PLANT & EQUIPMENT

Description	Furniture & Fixture	Computers	Office Premises *	Equipments \$	Motor Vehicles	Plant & Machinery *	Total	Intangible Assets Under Development
Gross Carrying Value as at 1st April 2017	7,32,530	5,72,267	99,63,420	3,75,561	51,55,908	2,68,76,796	4,36,76,482	
Additions	0	88,569	0	0	0	18,15,937	19,04,506	
Disposals	0	0		0	0	0	0	
Gross Carrying Value as at 31 March 2018	7,32,530	6,60,836	99,63,420	3,75,561	51,55,908	2,86,92,733	4,55,80,988	
Additions	28,900	83,921		88,482	1,20,018	10,71,462	13,92,783	42,000
Disposals							0	
Gross Carrying Value as at 31 March 2019	7,61,430	7,44,757	99,63,420	4,64,043	52,75,926	2,97,64,195	4,69,73,771	42,000
Accumulated Depreciation								
Balance as at 31 March 2017	4,60,090	5,26,449	23,79,109	3,51,999	49,21,252	1,32,79,410	2,19,18,309	
Additions	49,312	25,112	3,79,216	3,278	60,752	19,03,930	24,21,600	
Disposal	0	0	0	0	0	0	0	0
Balance as at 31 March 2018	5,09,402	5,51,561	27,58,325	3,55,277	49,82,004	1,51,83,340	2,43,39,909	
Additions	62,869	65,584	3,50,888	7,836	71,973	26,20,491	31,79,641	0
Disposal			0				0	0
Balance as at 31 March 2019	5,72,271	6,17,145	31,09,213	3,63,113	50,53,977	1,78,03,831	2,75,19,550	0
Net Carrying Value								
As at 31 March 2017	2,72,440	45,818	75,84,311	23,562	2,34,656	1,35,97,386	2,17,58,173	0
As at 31 March 2018	2,23,128	1,09,275	72,05,095	20,284	1,73,904	1,35,09,393	2,12,41,079	0
As at 31 March 2019	1,89,159	1,27,612	68,54,207	1,00,930	2,21,949	1,19,60,364	1,94,54,221	42,000

* Registered Equitable Mortgage and First and exclusive charge and security by way of hypothecation of machineries for Apna Sahakari Bank Ltd Loan amount of Rs 269 Lacs

\$ Includes office Equipments

Intangible Assets Under Development includes Rs 42000/- (Previous Year Nil) on account of Advance given for Mobile Application

NOTES TO FINANCIAL STATEMENTS

		All Amount in INR		
		As as 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
4	INVESTMENTS			
	Investment measured at Fair Value through Other Comprehensive Income			
	<i>In Equity Shares of Other Companies</i>			
	<i>Unquoted, Fully Paid up</i>			
	Shares in Apna Sahakari Bank	5,00,000	5,00,000	5,00,000
	(20000 Shares of Rs.25/- each fully paid up)			
	Total	5,00,000	5,00,000	5,00,000
5	OTHER FINANCIAL ASSETS			
	(Unsecured, considered good, unless stated otherwise)			
	NSE Exchange Deposit	11,62,300		
	Security Deposits	3,67,30,397	3,68,05,750	3,37,99,207
	Total	3,78,92,697	3,68,05,750	3,37,99,207
6	DEFERRED TAXASSETS (NET)			
	Deferred Tax Assets / (Liabilities) in relation to			
	Deferred Tax Assets			
	Property, Plant & Equipment			-
	Provision for Employee Benefits	1,08,432	3,20,871	-
	Allowance for Bad & Doubtful Debts	22,77,258		
	Sub-Total (A)	23,85,690	3,20,871	-
	Deferred Tax Liabilities			
	Property, Plant & Equipment	7,95,373	9,27,573	8,49,816
	Provision for Employee Benefits	-	-	1,60,157
	Interest / Processing Fees Ind As Adjustments	7,72,056	3,16,722.00	-
	MAT Credit Entitlement	-	-	-
	Issue expenses written off/misc exp			
	Sub-Total (B)	15,67,429	12,44,295	10,09,973
	Deferred Tax Assets / (Liability) (Net) (A-B)	8,18,261	(9,23,424)	(10,09,973)
		-	-	-
The movement on the Deferred Tax Liability is as follows:				
	Particulars	As as 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
	Balance at the Opening of Reporting period	(9,23,424)	(10,09,973)	(9,23,595)
	Charge to Profit & Loss Account			
	Deferred Tax Assets			
	Provision for Employee Benefits		4,81,028	
	Allowance for Bad & Doubtful Debts	22,77,258	-	-
	Deferred Tax Liability			
	Property, Plant & Equipment	1,32,200	(77,757)	(86,378)
	Provision for Employee Benefits	(2,12,439)	-	-
	Interest / Processing Fees Ind As Adjustments	(4,55,334)	(3,16,722)	-
	MAT Credit Entitlement	-	-	-
	Total Charged to Profit & Loss A/C	17,41,685	86,549	(86,378)
	Charge to Other Comprehensive Income			
	Remeasurement of Defined Benefit Plans		-	
	Balance at the Closing of Reporting period	8,18,261	(9,23,424)	(10,09,973)
7	Inventories			
	Raw Materials			
	Work-in-progress			
	Finished Goods			
	Traded Goods			
	Stores & spares	3,29,001	4,41,754	25,68,772
	Total Inventories	3,29,001	4,41,754	25,68,772
	Inventories are carried at lower of cost and net realisable value.			
8	TRADE RECEIVABLES			
	As as 31st March, 2019			
	As at 31st March, 2018			
	As at 1st April, 2017			
	- Unsecured			
	Considered Good	40,92,84,352	29,99,27,575	26,89,60,427
	Considered Doubtful	-	-	-
	- Less:- Allowance for Bad & Doubtful Debts	81,85,687	-	-
	Total	40,10,98,665	29,99,27,575	26,89,60,427

* Receivables from Related Parties:- (Rs. Nil) [(Previous Year-Rs. Nil) (As on 1.4.2017 - Rs Nil)]

NOTES TO FINANCIAL STATEMENTS

9	CASH AND BANK BALANCES	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	Cash and cash equivalents			
	(a) Balances with Banks	1,51,87,575	86,82,931	39,32,257
	(b) Cash on hand	46,78,223	59,14,082	17,06,545
		1,98,65,797	1,45,97,013	56,38,802
	Bank Balances other than above carried at Amortised Cost *			
	(a) Deposit with original maturity of more than 3 months but less than 12 months	-	-	-
	(b) Margin money deposit under lien	2,19,20,624	1,10,54,234	1,02,74,008
		2,19,20,624	1,10,54,234	1,02,74,008
	Total	4,17,86,421	2,56,51,247	1,59,12,810
10	CURRENT TAX ASSETS (NET)	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	Advance Income Tax	8,66,235	11,21,105	3,04,870
	(net of Provisions)			
	Total	8,66,235	11,21,105	3,04,870
11	OTHER CURRENT ASSETS	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	(a) Advances to Staff	-	1,17,50,000	1,02,50,000
	(Unsecured Considered Good)			
	(b) Loans & Advances	6,37,520	2,15,74,987	1,85,11,685
	(c) Advances against site	6,83,81,102	8,69,98,739	2,43,50,350
	(d) Balance with Government Authorities			
	(e) Prepaid Expenses	20,18,295	-	-
	(f) Deferred GST	-	-	-
	(g) Miscellaneous Expenses	61,08,098	10,75,500	-
	Total	7,71,45,015	12,13,99,226	5,31,12,035
	* Miscellaneous Expenses includes IPO Related Expenses			
12	SHARE CAPITAL	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	(a) Authorised			
	1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000	75,00,000	75,00,000
	(Previous Year 7,50,000 Equity Shares of Rs. 10 each)			
	Total	12,00,00,000	75,00,000.00	
	(b) Issued, Subscribed and Paid Up			
	67,50,000 Equity Shares of Rs. 10 each	6,75,00,000	6,75,00,000	67,50,000
	(Previous Year 67,50,000 Equity Shares of Rs. 10 each)			
	(As on 1.4.17 6,75,000 Equity Shares of Rs. 10 each)			
	Total	6,75,00,000	6,75,00,000	67,50,000
	(c) Reconciliation of the Number of Equity Shares			
	Shares outstanding at the beginning of the year	67,50,000	6,75,000	6,75,000
	Shares issued during the year	-	60,75,000	-
	Shares bought back during the year	-	-	-
	Shares outstanding at the Closing of the year	67,50,000	67,50,000	6,75,000
	(d) Terms and Rights attached to Equity Shareholders			
	The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity share is entitled to one vote per equity share. The dividend is recommended by the Board of Directors and declared by the members at the ensuing Annual General Meeting. In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets, if any in proportion to the number of shares held at the time of commencement of winding-up. The share holders have all other rights as available to the Equity shareholders as per the provisions of the Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the Company, as applicable.			
	(e) Shareholders holding more than 5% Equity Shares			
	Equity Shares of Rs.10 each fully paid held by-	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	(i) Ravindra Malinga Hegde	No. of shares 58,04,785	No. of shares 58,04,785	No. of shares 5,80,500
	(ii) Sujata Ravindra Hegde	9,45,000	9,45,000	94,500

NOTES TO FINANCIAL STATEMENTS

13	OTHER EQUITY	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	(a) Security Premium A/C			
	Opening Balance	-	1,31,25,000	1,31,25,000
	add : issue of shares			
	less: Bonus issue		1,31,25,000	
	Closing balance	-	-	1,31,25,000
	(b) Retained Earnings			
	Balance at the beginning of the Financial Year	11,62,83,262	14,17,05,201	12,40,43,620
	Profit during the year transferred	2,69,54,922	2,22,03,061	1,76,61,581
	Add: Other Comprehensive Income	-	-	-
	Less: Dividend Paid	-	-	-
	Tax on Dividend	-	-	-
	Utilisation for Bonus Issue		(4,76,25,000)	
	Balance at the end of the Financial Year	14,17,05,201	14,32,38,184	11,62,83,262
	14,17,05,201 Balance consists of Surplus retained from earned profit after payment of dividend.			
	Total Reserve & Surplus (a)+(b)	14,32,38,184	11,62,83,262	15,48,30,201
14	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings			
	1-Secured loans	5,54,31,149	7,21,34,536	4,19,75,305
	2-Unsecured loans	2,64,78,251	4,95,78,318	4,20,25,573
	3-Interest & Processing Fees - Ind AS Adjustments	(27,65,916)	(11,29,201)	
	TOTAL	7,91,43,484	12,05,83,653	8,40,00,877
	Secured Loans are secured against property, plant and Equipments and Fixed Deposits (Refer Note 27)			
15	OTHER NON-CURRENT LIABILITIES	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	Provision for gratuity	3,45,631	10,45,115	
	Total	3,45,631	10,45,115	-
16	Current Borrowings	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	Working capital from banks & financial institutions-Secured			
	Apna Sahakari Bank Ltd	15,56,51,255	13,68,46,169	12,52,20,949
	Deutsche Bank	1,08,77,395	1,30,51,332	1,38,17,247
	From Related Parties			
	Ravindra Hegde	42,77,757		
	Sujata Hegde	1,00,000		
	Total	17,09,06,407	14,98,97,501	13,90,38,196
	Working Capital Loans are secured against property, plant and Equipments and Fixed Deposits (Refer Note 27)			
17	TRADEPAYABLES	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	Financial Liabilities carried at Amortised Cost			
	(a) Due to Micro, Small and Medium Enterprises			
	(b) Others			
	(i) Related Parties	7,26,314		
	(ii) Other Parties	2,36,40,121	1,64,92,970	50,13,254
	Total	2,43,66,435	1,64,92,970	50,13,254
	There are no data available for overdue amounts to Micro, Small and Medium Enterprises as at March 31,2019 for disclosures requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable			
18	OTHER CURRENT LIABILITIES	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	(a) Advances from customer			-
	(b) Statutory Dues	2,36,79,398	3,39,53,542	62,73,793
	(d) Current Maturity of long term debt	4,39,05,061		
	(e) Deposite-Premises	3,00,000	3,00,000	
	(f) Others			-
	(i) Related Parties	3,85,000		
	(ii) Other Parties	97,61,697		
	Total	7,80,31,156	3,42,53,542	62,73,793
19	PROVISIONS (CURRENT)	As as 31st March, 2019	As at 31st March, 2018	As at 1st April , 2017
	Provision for tax	11,80,615		
	Provision for Gratuity	44,135	1,08,270	
	Expenses	1,51,76,469		
	Total	1,64,01,219	1,08,270	-

NOTES TO FINANCIAL STATEMENTS

All Amount in INR

20 REVENUE FROM OPERATIONS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Contracted Price (Services)	78,03,38,983	45,68,35,461
Less : Reduction towards variable consideration components	3,27,005	-
Total	78,00,11,978	45,68,35,461

The reduction towards variable consideration comprises of volume discounts, service level credits etc.

21 OTHER INCOME	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Rental Income	9,15,000	3,75,000
(b) Reimbursement of Interest & Issue Exp from LLPs	-	-
(c) Miscellaneous Income	-	-
(d) Profit on Sale of Property, Plant & Equipments	-	-
(e) Reversal of Allowance for Bad & Doubtful Debts	-	-
(f) Dividend	49,901	-
(g) Interest Income earned on Financial Assets carried at Amortised Cost	-	-
(i) Interest on Bank Fixed Deposits	10,84,174	5,70,047
(ii) Interest on Security Deposit	-	-
(h) Investment carried at Fair Value through P&L	-	-
(i) Fair Value Gain on Mutual Funds	-	-
Total	20,49,075	9,45,047

22 COST OF MATERIAL CONSUMED	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Spares material at the beginning of the year	4,41,754	25,68,772
Add ; Purchases	4,75,54,923	3,25,96,520
Less : Spares Material at the end of the year	3,29,001	4,41,754
Total cost of material cosumed	4,76,67,676	3,47,23,538

23 EMPLOYEE BENEFITS EXPENSES	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Salaries, Wages and Bonus	38,08,64,815	26,37,40,265
(b) Contribution to Provident Fund and Other funds	8,12,59,518	5,71,86,778
(c) Staff Welfare expenses	20,38,578	8,50,332
Total	46,41,62,911	32,17,77,375

Gratuity and Pension

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Gratuity Plan of the Company is not funded.

Change in benefit obligations

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Benefit obligations, beginning of the year	1153385	1411459
Service Cost	38116	91607
Interest Cost	88,811	1,08,682
Remeasurement of the net defined benefit liability	(8,90,546)	(4,58,363)
Benefit paid	-	-
Benefit obligations, end of the year	3,89,766	11,53,385

The assumptions used in accounting for the defined benefit plan are set out below:

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Discount Rate	7.70%	7.70%
Rate of increase in compensation levels of covered employees	6.60%	6.60%

NOTES TO FINANCIAL STATEMENTS

24 FINANCE COST	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest Expenses	3,96,33,839	3,03,59,189
(b) Bank charges ,Commission & Processing Fees	1,17,11,774	77,23,204
(c) Amortized Interest & Processing Fees expenses	(16,36,715)	(11,29,201)
Total	4,97,08,898	3,69,53,192

25 OTHER EXPENSES	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Direct Expenses		
Site Expenses	9,68,27,623	1,34,98,888
Drycleaning Expenses		2,73,877
Labour Charges	4,65,28,108	15,226
Uniform Expenses	16,32,698	2,16,252
Indirect Expenses		
Advertising expenses	8,25,489	3,99,745
Audit Fees	3,00,000	1,70,000
Computer & Printer Expenses	36,048	33,054
Donation	95,503	92,662
Director Remuneration	66,00,000	24,00,000
GST / Service Tax	4,21,413	47,77,801
Insurance	15,23,152	18,62,041
Membership & Subscriptions		1,00,135
Miscellaneous Expenses	17,76,961	3,389
Office Expenses	23,16,190	12,59,047
Postage & courier	62,469	56,753
Power & Fuel	14,48,616	5,17,966
Legal & Professional Charges	12,39,160	15,29,998
Printing & Stationery	6,61,933	2,34,929
Rent Including Lease Rentals	9,44,700	1,30,030
Repair & Maintenance	22,14,229	10,45,986
Bad Debts	42,027	-
Allowance for Bad & Doubtful Debts	81,85,687	-
Tender Fees	4,97,378	1,27,236
Telephone Charges	1,82,309	84,954
Transport Charges	49,07,555	8,75,790
Travelling and Conveyance	15,32,976	8,75,582
Works Contract tax	-	34,211
Total	18,08,02,223	3,06,15,552
Payment to Auditor		
As Auditor		
(a) Audit Fee	3,00,000	1,70,000
(b) Other Services	-	-
Total	3,00,000	1,70,000

NOTES TO FINANCIAL STATEMENTS

26 INCOME TAX	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Income Tax recognized in Statement of Profit & Loss		
Current Tax Expenses	1,01,97,007	85,24,236
Tax of the Earlier Years	11,29,460	50,000
Deferred Tax Expenses	(17,41,685)	86,549
Total Tax Expenses recognized in Statement of Profit & Loss	95,84,782	86,60,785
Deferred Tax related to Items recognized in Statement of Other Comprehensive Income		
Remeasurement of Defined Benefit Plans	-	-
Income tax Charged to Statement of Other Comprehensive Income	-	-
(b) Reconciliation of Effective Tax Rate		
Profit Before Tax	3,65,39,704	3,08,63,846
Tax at India's statutory Income Tax rate	27.82	27.55
Tax on above	1,01,65,346	85,03,761
Tax of the Earlier Years	-	-
Expense / Income not deductible for Tax Purpose		
Remeasurement of Defined Benefit Plans		
Donation	26,569	20,475
GST Late Fees	5,092	-
Current Tax Provision (A)	1,01,97,007	85,24,236
Incremental Deferred Tax Liability on account of Property, Plant and Equipment	1,32,200	82,827
Incremental Tax Liability / (Assets) on account of Financial assets and Other Items	16,09,485	3,722
Deferred Tax Provision (B)	17,41,685	86,549
Tax Expenses recognised in Statement of Profit & Loss (A + B)	1,19,38,692	86,10,785
Effective Tax Rate	32.67%	27.90%

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Note No 27

A. Working Capital Facilities & Term Loans from Banks								
Name of Lender	Purpose	Sanction	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
Secured Borrowings							31.3.2019	31-03-2018
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	1550.00	11.50% p.a.	Primary Security : Hypothecation of Stock & Book Debts Collateral Security : As per Note 1 Personal Guarantee :	On Demand	NA	15,56,51,255	13,68,46,169
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	120.00	11.50% p.a.	Primary Security : Hypothecation of Stock & Book Debts Collateral Security : As per Note 1 Personal Guarantee :	On Demand	NA	2,90,38,637	0
Deutsche Bank AG	Working Capital (Cash Credit)	137.50	10.55% p.a.		On Demand	NA	1,08,77,395	1,30,51,332
Small Industries Development Bank Of India (SIDBI)	Business Loan in form of Optionally Convertible Subordinate Debt(OCSD)	300.00	15.50% p.a.			36 Months	0	3,00,00,000
Apna Sahakari Bank Ltd.	Business Loan (Loan Against Property)	100.00	12.00% p.a.	As per Note 7	120 EMIs of Rs. 1.45 Lacs each	Nil	80,31,392	87,75,402
	Business Loan (Loan Against Machineries)	100.00	12.00% p.a.	As per Note 8	84 EMIs of Rs. 1.11 Lacs each	Nil	3,76,647	15,90,757
	Business Loan (Loan Against Machineries)	19.00	12.00% p.a.	As per Note 9	48 EMIs of Rs. 0.43 Lacs each	Nil	15,81,726	13,75,855
	Business Loan (Loan Against Property)	150.00	12.00% p.a.	As per Note 10	60 EMIs of Rs. 3.36 Lacs each	Nil	76,71,469	1,06,23,569
	Business Loan (Loan Against Property)	50.00	12.00% p.a.	As per Note 11	60 EMIs of Rs. 1.125 Lacs each	Nil	37,64,475	46,18,301
Deutsche Bank AG	Business Loan (Loan Against Property)	206.00	10.50% p.a.	As per Note 12	180 EMIs of Rs. 2.28 Lacs each	Nil	93,11,625	93,59,780
PNB Housing Finance Ltd.	Business Loan (Loan Against Property)	60.50	11.00% p.a.	As per Note 13	180 EMIs of Rs. 0.69 Lacs each Commencing from Oct.' 16	1 Month	55,61,273	57,90,873

Notes

Apna Sahakari Bank Ltd. - Cash Credit Rs. 1550.00 Lacs

1. **Collateral Security** : Registered Equitable Mortgage of Commercial and Residential Properties held in the name of Directors.
2. **Guarantee** : Personal Guarantee of Directors, Ravindra Hegde and Sujata Hegde.

Deutsche Bank AG – Overdraft Rs. 137.50 Lacs

3. **Security** : Registered Equitable Mortgage of Residential Property bearing Flat No. 2504, 25th Floor, F Wing, Building No. 1, Oberoi Splendor, Jogeshwari Vikroli Link Road, Jogeshwari East, Mumbai – 400060, C.T.S No. 1, 375(A) (pt), 16/A, 32/A (pt) of Village Majas at Jogeshwari (E) JVL Road, Mumbai held in the name of Mr. Ravindra Hegde and Mrs. Sujata Hegde.
4. **Guarantee** : Personal Guarantee of Directors, Ravindra Hegde and Sujata Hegde.

Small Industries Development Bank of India - Business Loan in form of Optionally Convertible Subordinate Debt (OCSD) Rs. 300.00 Lacs

5. **Security** : First charge by way of hypothecation of movable assets of the borrower acquired / proposed to be acquired under the project. Residual charge by way of mortgage of all the immovable assets and hypothecation of all the movable assets and current assets on which Apna Sahakari Bank Ltd (Co-Operative Bank) has first charge.
6. **Guarantee** : Irrevocable and unconditional, personal guarantee of Directors, Ravindra Hegde and Sujata Hegde.

Apna Sahakari Bank Ltd. – Loan against Property Rs. 100.00 Lacs

7. **Security** : Registered Equitable Mortgage of Property bearing Unit No. 305, Thakor House (Antariksh), Makhwana Road, Marol Junction, Andheri Kurla Road, Andheri East, Mumbai – 400059, Maharashtra held in the name of Mr. Ravindra Hegde and Mrs. Sujata Hegde.

Apna Sahakari Bank Ltd. – Loan against Machineries Rs. 100.00 Lacs

8. **Security** : First and exclusive charge and security by way of hypothecation of machineries purchased from 1.) Eureka Forbes Ltd., 2.) Sharpex Engg., 3) Nayak Eng. Co., 4.) Datarica Dispensing Syst., 5.) Dulero India Pvt. Ltd., 6.) Unique Clearing Product.

Apna Sahakari Bank Ltd. – Loan against Machineries Rs. 19.00 Lacs

9. **Security** : First and exclusive charge and security by way of hypothecation of machineries such as Eicher Tractors, Eicher Tractors Trolly, B.N.T. Plus.

Apna Sahakari Bank Ltd. – Loan against Property Rs. 150.00 Lacs

10. **Security** : Registered Equitable Mortgage of Business Premises situated at , Nirma Plaza, Shop No. 1, 2 & 103 Flat Dattatraya held in the name of Mr. Ravindra Hegde

Apna Sahakari Bank Ltd. – Loan against Property Rs. 50.00 Lacs

11. **Security** : Registered Equitable Mortgage of Property bearing Unit No. 305, Thakor House (Antariksh), Makhwana Road, Marol Junction, Andheri Kurla Road, Andheri East, Mumbai – 400059, Maharashtra held in the name of Mr. Ravindra Hegde and Mrs. Sujata Hegde.

Deutsche Bank AG – Business Loan Rs. 260.00 Lacs

12. **Security** : Registered Equitable Mortgage of Property bearing Flat No. 2504, Wing F, Fantasy Land, CTS No. 1, JV Link Road, Opp. Majas Depot, Jogeshwari, Mumbai 400060, Maharashtra, held in the name of Mr. Ravindra Hegde and Mrs. Sujata Hegde.

PNB Housing Finance Limited – Business Loan Rs. 60.50 Lacs

13. **Security** : Registered Equitable Mortgage of Property bearing Flat No. 17, 1st Floor, D3 Green Fields Complex, Rocks End CHSL, JVL R Jogeshwari East, Mumbai Maharashtra, India 400060, held in the name of

NOTES TO FINANCIAL STATEMENTS

		All Amount in INR	
28 EARNING PER SHARE	Year ended 31st March, 2019	Year ended 31st March, 2018	
(a) Net Profit for Basic & diluted EPS	2,69,54,922	2,22,03,061	
(b) Number of Equity Shares at the beginning of the year	67,50,000	6,75,000	
(c) Total Number of Shares outstanding at the end of the year	67,50,000	67,50,000	
Earning Per Share - Basic (Rs.)	3.99	32.89	
Earning per share - Diluted (Rs.)	3.99	3.29	
Face value per share (Rs.)	10.00	10.00	

		Rs in Lacs	
29 CONTINGENT LIABILITIES & COMMITMENTS	As as 31st March, 2019	As at 31st March, 2018	
(a) Claims against the company not acknowledged as debt*			
-Service Tax	625.79	625.79	
(b) Guarantees			
(i) Bank Guarantees	972.17	602.19	
(ii) Surety Bond (Custom Authorities)	-	-	
(b) Undrawn Commitment			
(i) Towards Non Convertible Debentures	-	-	

* Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements / decisions pending with various forums / authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

30 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006	As as 31st March, 2019	As at 31st March, 2018
The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:		
(a) Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	-	-
(b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(d) the amount of interest accrued and remaining unpaid	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

There are no data available for overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for disclosures requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable

Information about major customers

The Company does not have any customers contributing more than 10% to its revenues for the Financial Year 2017-18 & 2016-17.

NOTES TO FINANCIAL STATEMENTS

31 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

(a) List of Related Parties

(i) Associate Concerns

- (a) Palemer Enterprises (Prop Sujata Hegde)
(b) Kalpataru Pest Control (Prop Ravindra Hegde)

(ii) Key Managerial Personnel

	Designation
(a) Ravindra Hegde	Managing Director
(b) Sujata Hegde	Director
(c) Ravi Nevatia	Director
(d) Brahm Pal Singh	Director
(e) Saurav Hegde	Director
(f) Abhibrat Shankar Kumar Das	Director
(g) Naveen Carvallo	CFO (KMP)

(b) The following transactions were carried out with related parties in the ordinary course of business:

Name of Party	Type of relation	Nature of Transaction	Income / Expense/ Asset/ Liability	2018-19 Amount	2017-18 Amount
Palemer Enterprises (Prop Sujata Hegde)	Associate Concerns	Dividend Paid	Other Equity		
		Closing Balance			
		Unsecured Loans	Liability	1,00,000	-
Kalpataru Pest Control (Prop Ravindra Hegde)	Associate Concerns	Interest Expenses	Expense	2,30,841	-
		Closing Balance			
		Unsecured Loans	Liability	42,77,757	-
Ravindra Hegde	KMP	Director Remuneration	Expense	36,00,000	12,00,000
		Rent Paid	Expense	8,40,000	-
		Closing Balance			
		Rent Payable	Liability	7,26,314	-
		Salary Payable	Liability	35,000	-
Sujata Hegde	KMP	Director Remuneration	Expense	30,00,000	12,00,000
		Closing Balance			
		Salary Payable	Liability	3,50,000	-
Naveen Carvallo	KMP	Salary	Expense	3,58,614	5,09,645
		Closing Balance			
		Salary Payable	Liability	46,000	-

(c) Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables.

32 OTHER NOTES

The Ind AS financial statements of the Company for the year ended March 31, 2018, were audited by predecessor auditor. We have relied on the audited financial statement of previous year with respect to opening balance as at April 1, 2018. Further, the company has made necessary re-grouping of the last year figure to make it comparable with the current financial year figures and there is no impact of the same on financial statement and same is not material.

33 SUBSEQUENT EVENTS

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to Board of Directors of the Company have proposed a final dividend of ` Rs 0.50 per share in respect of the year ended applicable dividend distribution tax. On May 30, 2019, the March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ` Rs. 58,46,557/- , inclusive of corporate dividend tax of ` Rs 9,97,057/-.

As per our Attached report of even date

For BHUSHAN KHOT & CO
Chartered Accountants
(FRN: 116888 W)

Sd /-

Bhushan Khot
Partner
M. No. 101858

Place: Mumbai

For and on behalf of Board of
KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Sd /-
Ravindra Malinga Hegde
Director
DIN No. - 01821002

Sd /-
Naveen Carvallo
Chief Financial Officer

Sd /-
Suajata Ravindra Hegde
Director
DIN No. - 01829352

Sd /-
Anubhav Shrivastava
Company Secretary

Date: 30th May, 2019

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of KHFM Hospitality and Facility Management Services Limited will be held on Wednesday, 25th September, 2019 at 04:00 P.M. at Hotel Host Inn International, Opp. Marol Fire Brigade, Marol Naka, Andheri Kurla Road, Andheri (E), Mumbai – 400059 Maharashtra, India to transact the following business:

Ordinary Business:

1. To Consider and adopt the audited Financial Statements of the Company on Standalone Basis for the Financial Year ended March 31, 2019 consisting of Balance Sheet as at March 31, 2019, Statement of Profit & Loss for the Year Ended March 31, 2019 and Cash Flow Statement for the year Ended March 31, 2019 together with Notes to Financial Statements and Reports of the Board of Directors and Auditors including annexure thereon.
2. To declare a final dividend @ 5% i.e. Rs. 0.50/- (Rupees Fifty Paise Only) per Equity Share for the Financial Year 2018-19 as recommended by the Board of Directors be and is hereby declared and approved.
3. To appoint a Director in place of Mrs. Sujata Ravindra Hegde (DIN: 01821002), who retires by rotation and being eligible, offers herself for re-appointment.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR KHFM HOSPITALITY AND FACILITY
MANAGEMENT SERVICES LIMITED**

Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002

DATE: 30th August, 2019
PLACE: Mumbai

NOTES:

1. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total Share Capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
3. The proxies in order to be effective must be received at the registered office of the company, not less than forty eight hours before the commencement of the meeting.
4. Members/Proxies/Authorized Representatives should bring the Attendance Slip duly filled in and signed for attending the Meeting and also their copy of the Annual General Meeting notice. Members who hold equity shares in electronic mode are requested to write the Client ID and DP ID number and those who hold equity shares in physical mode are requested to write their folio number in the attendance slip.
5. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated, are provided.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 2019 to 25th September, 2019 (both days inclusive) in the terms of the provisions of the Companies Act, 2013 and the Listing Agreement for the purpose of the Annual General Meeting.
9. The voting rights of member(s) shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, 18th September, 2019. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday 18th September, 2019 only shall be entitled to avail the facility of remote e-voting. A person who is not member as on the cut-off date should treat this notice for information purpose only.
10. The Annual General Meeting notice will also be available on the website of the Company www.khfm.in under the investor section.

11. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
12. Notice of the Meeting is being sent by electronic mode to those member(s) whose e-mail IDs are registered with the Company/Depository Participant(s) unless any member has requested for physical copy of the same. For member(s) who have not registered their e-mail IDs, physical copy of the Notice of the Meeting is being sent in the permitted mode.
13. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
14. The change in the residential status on return to India for permanent settlement.
15. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the Regulation 31(1)(b) of the SEBI (LODR) Regulation, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, Resolution(s) passed by Members through e-voting is deemed to have been passed as if they have been passed at the AGM.

18. Dividend:

- i. The Board of Directors has recommended for consideration of the Members a Final Dividend @ 5% i.e. Rs. 0.50/- (Rupees Fifty Paise Only) per Equity Share for the Financial Year 2018-19.
- ii. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th September, 2019 to Wednesday, 25th, 2019 (both Days inclusive) and Dividend, if declared, it will be payable on or after 25th September, 2019 to those members whose names are registered as such in the Register of Members of the Company as on Wednesday, 18th September, 2019 and to the Beneficiary holders as per the beneficiary lists as on 19th September, 2019 provided by the NSDL and CDSL.
- iii. **Payment of Dividend through Electronic Means :**
 - (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio number, to the Company or the Registrar & Share Transfer Agent – Big Share Services Private Limited.

Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.

- (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for the Payment of Dividend. The Company/Registrar & Share Transfer Agent – Big Share Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of Bank particulars or bank mandates. Such Changes are to be advised only to the Depository Participant of the Member.

19. Voting through electronic means

The Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. If a member has opted for e-voting, then he/she should not vote physically and vice-a-versa.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 21st September 2019 at 09:00 A.M. and ends on 24th September 2019, 2019 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday 18th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.
OR	
Date of Birth (DOB)	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv.).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **KHFM Hospitality and Facility Management Services Limited** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 21st September, 2019 at 09:00 A.M. and ends on 24th September, 2019 at 05:00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 18th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- i. Mr. Manishkumar Premnath Mishra (Membership No. A41066), Proprietor of M/s Mishra & Associates, Company Secretaries, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - ii. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - iii. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website www.ttspl.in within two days of passing of the resolutions at the AGM of the Company and communicated to NSE Limited.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 P.M (except Sunday and Public Holiday) up to the date of the AGM of the Company.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR KHFM HOSPITALITY AND FACILITY
MANAGEMENT SERVICES LIMITED**

**Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002**

**DATE: 30th August, 2019
PLACE: Mumbai**

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/CHANGE IN
REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING**
(Pursuant to the provisions of Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standards
on General Meetings (“SS-2”) issued by ICSI)

Name of Director	Sujata Ravindra Hegde
Date of Appointment/Change in Designation	27.01.2006
Job Profile	She has been the Director of the Company since inception. She has experience of around 22 years of handling Financial and Administrative activities of our Company. She is also in-charge of maintaining quality checks as per ISO Standards across all the functional sites.
Qualification/Awards/Recognitions	Matriculation
No. of Equity Share held in the Company as on 31st March, 2019	9,45,000
Disclosure of relationships between directors inter-se	Mrs. Sujata Ravindra Hegde is the Spouse of Mr. Ravindra Malinga Hegde, Managing Director and Mother of Saurav Ravindra Hegde, Non – Executive Director of the company.
Remuneration Last Drawn by such person, if any	Rs. 30,00,000 per annum
Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person	NA
No. of Meeting of the Board attended during the year	20
List of outside Directorship held in other companies	KHFM HR Consultancy Private Limited
Chairman/Member of the Committee of the Board of Directors of other Companies	Member of One (1) Committee

ATTENDANCE SLIP

13th Annual General Meeting on 25th September 2019

Name of the Member attending meeting	
Reg. Folio/DP & Client No.	
No. of Shares Held	

I hereby record my presence at the 13th Annual General Meeting of the Company held on 25th September, 2019 at 04:00 P.M. Hotel Host Inn International, Opp. Marol Fire Brigade, Marol Naka, Andheri Kurla Road, Andheri (E), Mumbai – 400059, , Maharashtra, India.

Member's Name _____

Proxy's Name _____

Member's/Proxy Signatures _____

Note:

1. Please fill this attendance slip and hand it over at the entrance of the meeting hall.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

Form No. MGT-11
Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No / Client ID	
DP ID	

I /We, being the member(s) holding _____ shares of the above named Company, hereby appoint

Name:	Email:
Address:	
Signature, or failing him	

Name:	Email:
Address:	
Signature, or failing him	

Name:	Email:
Address:	
Signature, or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the company, to be held on Wednesday, September 25, 2019 at 04.00 P.M. at Hotel Host Inn International, Opp. Marol Fire Brigade, Marol Naka, Andheri Kurla Road, Andheri (E), Mumbai – 400059 , Maharashtra, India or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Vote	
Ordinary Business		For	Against
1.	To Consider and adopt the audited Financial Statements of the Company on Standalone Basis for the Financial Year ended march 31, 2019 consisting of Balance Sheet as at March 31, 2019, Statement of Profit & Loss for the Year Ended March 31, 2019 and Cash Flow Statement for the year Ended March 31, 2019 together with Notes to Financial Statements and Reports of the Board of Directors and Auditors including annexure thereof and in this regard		
2.	To declare a final dividend @ 5% i.e. Rs. 0.50/- (Rupees Fifty Paise Only) per Equity Share for the Financial Year 2018-19 as recommended by the Board of Directors be and is hereby declared and approved		
3.	To Appoint a Director in place of Mrs. Sujata Ravindra Hegde (DIN:) who retires by rotation and being eligible, offers herself for re-appointment		

Signed this ____Day of _____2019

Signature of Shareholder_____

Signature of Proxy holder(s)_____

Signature of the Shareholder across Revenue Stamp

Affix
Revenue
of Rs. 1/-

Note:

1. This Form of proxy in order to be affective should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The proxy need not be a member of the company.
3. All alteration made in proxy form must be initialed.

Route map of the venue AGM

From Marol Naka Metro station to the Venue of the AGM

