



KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Our Company was incorporated as "Kalpataru's Hospitality and Facility Management Services Private Limited" as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 27, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai (CIN: U74930MH2006PTC159290). Further, our Company changed its name pursuant to approval of the shareholders at an extraordinary general meeting held on July 18, 2012 and consequently, the name of our Company was changed to KHFM Hospitality and Facility Management Services Private Limited and a fresh certificate of incorporation was issued by Registrar of Companies, Maharashtra, Mumbai on August 10, 2012. Subsequently, our Company was converted into a public limited company pursuant to approval of shareholders at an Extra-Ordinary General meeting of our Company held on March 18, 2018, and the name of our Company was changed to "KHFM Hospitality and Facility Management Services Limited" vide a fresh certificate of incorporation dated May 30, 2018 bearing CIN: U74930MH2006PLC159290 issued by the Registrar of Companies, Maharashtra, Mumbai. For further details of our Company, please refer "General Information" and "History and Certain Other Corporate Matters" on page 47 and 95, respectively, of this Draft Prospectus.

Corporate Identification Number: U74930MH2006PLC159290

Registered Office: 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East), Mumbai 400 059, Maharashtra, India.

Tele: +91 22 2851 1234; **Fax:** +91 22 2859 1483; **Website:** www.khfm.in **E-mail:** investorrelations@khfm.in

Contact Person: Anubhav Srivastava, Company Secretary and Compliance Officer.

PROMOTERS OF OUR COMPANY: MR. RAVINDRA HEGDE AND MRS. SUJATA HEGDE

THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 29,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED ("OUR COMPANY" OR "KHFM" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 38/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 28 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 1121.00 LAKH ("THE ISSUE") OF WHICH UPTO 1,47,500 EQUITY SHARES AGGREGATING TO ₹ 56.05 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 28,02,500 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 38 PER EQUITY SHARE AGGREGATING TO ₹ 1064.95 LAKH IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE UPTO 30.41% AND UPTO 28.89%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER "TERMS OF THE ISSUE" ON PAGE 198 OF THIS DRAFT PROSPECTUS.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR ATLEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 207 OF THIS DRAFT PROSPECTUS.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 207 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF ₹ 38 IS 3.8 TIMES OF THE FACE VALUE

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" on page 207 of this Draft Prospectus.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00 and the Issue price of ₹ 38/- per Equity Share is 3.8 times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager, as stated under "Basis for Issue Price" on page 72 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. **Specific attention of the investors is invited to the section 'Risk Factors' on page 16 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. Our Company has received an approval letter dated [●] from NSE Limited ("NSE") for using its name in the Offer Document for listing of our shares on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE ISSUE


BONANZA PORTFOLIO LIMITED
Bonanza House, Plot no M-2,
Cama Industrial Estate, Walbhat Road,
Goregaon (E), Mumbai-400 063
Telephone: +91 22 4059 5757
Facsimile: +91 22 2686 5774
Email: swati.agrawal@bonanzaonline.com
Investor Grievance Email: mbgrievances@bonanzaonline.com
Contact Person: Mrs. Swati Agrawal
Website: www.bonanzaonline.com
SEBI registration number: INM000012306
CIN: U65991DL1993PLC05228

REGISTRAR TO THE ISSUE


BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai 400 059, India.
Telephone: +91 22 6263 8200
Facsimile: +91 22 6263 8299
Email: ipo@bigshareonline.com
Investor grievance email: investor@bigshareonline.com
Contact Person: Mr. Srinivas Dornala
Website: www.bigshareonline.com
SEBI Registration Number: INR000001385
CIN: U99999MH1994PTC076534

ISSUE PROGRAMME

ISSUE OPENS ON:
ISSUE CLOSES ON:

[●]
[●]

SECTION NO	CONTENTS	PAGE NO
I.	<u>GENERAL</u>	
	<u>DEFINITIONS AND ABBREVIATIONS</u>	2
	<u>CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA & CURRENCY OF FINANCIAL PRESENTATION</u>	12
	<u>FORWARD LOOKING STATEMENTS</u>	14
II.	<u>RISK FACTORS</u>	16
III.	<u>INTRODUCTION</u>	
	<u>SUMMARY OF OUR INDUSTRY</u>	35
	<u>SUMMARY OF OUR BUSINESS</u>	38
	<u>SUMMARY OF OUR FINANCIALS</u>	43
	<u>THE ISSUE</u>	46
	<u>GENERAL INFORMATION</u>	47
	<u>CAPITAL STRUCTURE</u>	56
	<u>OBJECTS OF THE ISSUE</u>	66
	<u>BASIC TERMS OF ISSUE</u>	71
	<u>BASIS FOR ISSUE PRICE</u>	72
	<u>STATEMENT OF TAX BENEFITS</u>	74
IV.	<u>ABOUT OUR COMPANY</u>	
	<u>INDUSTRY OVERVIEW</u>	76
	<u>OUR BUSINESS</u>	84
	<u>KEY INDUSTRY REGULATIONS AND POLICIES</u>	93
	<u>HISTORY AND CERTAIN CORPORATE MATTERS</u>	95
	<u>OUR MANAGEMENT</u>	100
	<u>OUR PROMOTER & PROMOTER GROUP</u>	112
	<u>OUR GROUP COMPANY</u>	115
	<u>RELATED PARTY TRANSACTION</u>	118
	<u>DIVIDEND POLICY</u>	119
V.	<u>FINANCIAL INFORMATION OF THE COMPANY</u>	
	<u>RESTATED FINANCIAL STATEMENT</u>	120
	<u>STATEMENT OF FINANCIAL INDEBTEDNESS</u>	163
	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS</u>	168
VI.	<u>LEGAL AND OTHER INFORMATION</u>	
	<u>OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS</u>	175
	<u>GOVERNMENT AND OTHER APPROVALS</u>	181
	<u>OTHER REGULATORY AND STATUTORY DISCLOSURES</u>	184
VII.	<u>ISSUE RELATED INFORMATION</u>	
	<u>TERMS OF THE ISSUE</u>	198
	<u>ISSUE STRUCTURE</u>	204
	<u>ISSUE PROCEDURE</u>	207
	<u>RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES</u>	248
VIII.	<u>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</u>	249
IX.	<u>OTHER INFORMATION</u>	
	<u>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION</u>	305
	<u>DECLARATION</u>	306

SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended or re-enacted from time to time. The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits", "Financial Information of the Company" and "Main Provisions of the Articles of Association" beginning on pages 74, 120 and 249, respectively, shall have the meaning ascribed to such terms in such sections. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to "the Issuer", "Issuer Company", "the Company", "our Company" " KHFM Hospitality and Facility Management Service Limited" or "KHFM Limited" or "KHFM" are references to KHFM Hospitality and Facility Management Service Limited and references to "we", "our" or "us" are references to our Company, together with its Subsidiary.

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended.
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Auditor/ Statutory Auditor	The statutory auditor of our Company, being M/s G. R. Shetty & Co., Chartered Accountant.
Board of Director(s)/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled " <i>Our Management</i> " beginning on page 100 of this Draft Prospectus.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company being Mr. Naveen Carvallo.
Company Secretary & Compliance Officer	Company Secretary and Compliance Officer of our Company being Mr. Anubhav Shrivastava.
Equity Shares	The equity shares of our Company of face value of ₹10 each, fully paid-up, unless otherwise specified in the context thereof.
Group Companies/ Entities	The companies included under the definition of " <i>Group Entities</i> " under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled " <i>Our Group Company</i> " beginning on page 115 of this Draft Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed under section titled " <i>Our Management</i> " beginning on page 100 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 06, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.

KHFM Hospitality and Facility Management Services Limited

Term	Description
Peer Review Auditors	The peer review auditor of our Company, being M/s. SVK & Associates, Chartered Accountants
Promoters	Shall mean Promoter of our Company <i>i.e.</i> Mr. Ravindra Hegde and Mrs. Sujata Hegde as enlisted in the section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 112 of this Draft Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 112 of this Draft Prospectus.
Registered Office	Registered office of our company situated at 01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059, Maharashtra, India
RoC/ Registrar of Companies	The Registrar of Companies, Mumbai situated at Everest, 5 th Floor, 100 Marine Drive, Mumbai 400 002, Maharashtra, India.
Restated Financial Statements	The financial statements of our Company’s assets and liabilities as at March 31, 2018, 2017, 2016, 2015, and 2014 and the statements of profit and loss and cash flows for the period ended March 31, 2018, 2017, 2016, 2015, and 2014 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectus (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
Stakeholders’ Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.

Issue related terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allot/ Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, issue/allotment of Equity Shares of our Company pursuant to the Issue of Equity Shares to the successful Applicants.
Allocation/ Allotment of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A Successful applicant (s) to whom the Equity Shares are being/ have been issued /allotted.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of this Draft Prospectus and the Application Form.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. <i>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.</i>
ASBA Account	Account maintained by an ASBA applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant.

KHFM Hospitality and Facility Management Services Limited

Term	Description
ASBA Applicant	Any Applicant who intends to apply through ASBA Process.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Bangalore, Hyderabad and Pune.
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in the section titled " <i>Issue Procedure - Basis of Allotment</i> " beginning on page 7640 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange <i>i.e.</i> www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange <i>i.e.</i> www.nseindia.com
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Prospectus	This Draft Prospectus dated September 11, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
Designated Market Maker	Monarch Networth Capital Limited
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)

KHFM Hospitality and Facility Management Services Limited

Term	Description
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Emerge Platform	The EmERGE Platform of National Stock Exchange of India Limited for listing equity shares offered under Chapter XB of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI <i>read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.</i>
ISIN	International Securities Identification Number. In this case being INE00UG01014
Issue Agreement	The Agreement dated Thursday, September 06, 2018 between our Company and Lead Manager.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The price at which Equity Shares will be issued and allotted by our Company being ₹38 per Equity Share of face value of ₹10 each fully paid.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer to section titled " <i>Objects of the Issue</i> " beginning on page 66 of this Draft Prospectus.
Issue/ Issue Size/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 29,50,000 equity shares of face value ₹10 each of KHFM Hospitality and Facility Management Service Limited for cash at a price of ₹38 per Equity Share (the " Issue Price "), including a share premium of ₹28 per equity share aggregating to ₹1121.00 Lakh.
LM / Lead Manager	The Lead Manager for the Issue being Bonanza Portfolio Limited.
Market Making Agreement	The Market Making Agreement dated Thursday, September 06, 2018 between our Company and Market Maker Monarch Network Capital Limited.
Market Maker Reservation Portion	The reserved portion of 1,47,500 Equity Shares of ₹10 each at an Issue Price of ₹38 each to be subscribed by Market Maker.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (<i>excluding the Market Maker Reservation Portion</i>) of 28,02,500 equity shares of face value ₹10 each of KHFM Hospitality and Facility Management Service Limited for cash at a price of ₹38 per Equity Share (the " Issue Price "), including a share premium of ₹28 per equity share aggregating up to ₹1064.95 lakh.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by our Company.
Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹2,00,000 (<i>but not including NRIs other than Eligible NRIs</i>).
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission

KHFM Hospitality and Facility Management Services Limited

Term	Description
	granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers or QIBs	A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital investor registered with the Board, a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance Company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹2500.00 lakh; a pension fund with minimum corpus of ₹2500.00 lakh rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically important non- banking financial companies.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to this Issue/RTI	Registrar to the Issue being Bigshare Services Private Limited.
Registrar Agreement	The agreement dated Wednesday, August 29, 2018, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Retail Individual Investors/RIIs	Individual Applicants or minors applying through their natural guardians, (<i>including HUFs in the name of Karta and Eligible NRIs</i>) who have applied for an amount less than or equal to ₹2.00 lakh in this Issue.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011,

KHFM Hospitality and Facility Management Services Limited

Term	Description
	namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat.
SME Exchange	Emerge Platform of National Stock Exchange of India Limited.
Stock Exchange	National Stock Exchange of India Limited
Underwriter(s)	The Lead Manager who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated Thursday, September 06, 2018 entered into amongst the Underwriters and our Company.
Working Days	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue opening and Issue closing date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Companies Act, 1956	Companies Act, 1956 (<i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i>) along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
Depository	A depository registered with SEBI under the Depositories Act, 1996.
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act.
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
Equity Listing Agreement / Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the National Stock Exchange of India Limited (NSE).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations (<i>defined later</i>).
Financial Year/ Fiscal/	Period of twelve (12) months ended March 31 of that particular year, unless otherwise

KHFM Hospitality and Facility Management Services Limited

Term	Description
Fiscal Year/ F.Y.	stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations (<i>defined later</i>) and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Prospectus.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Listing Regulations/ SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations

Technical and Industry related terms

Term	Description
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATM	Automated Teller Machine
BCG	Boston Consulting Group
BPS	Basis point
CAGR	Compound Annual Growth Rate
CCTV	Closed Circuit Television
CSO	Central Statistics Organization
F&B	Food and Beverage
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
FMS	Flexible Manufacturing System
FTA	Foreign Tourist Arrivals
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee
IPC	Indian Penal Code
IT	Information Technology
NASSCOM	National Association of Software and Services Companies
NGNF	Non - Government Non – Financial
OEM	Original Equipment Manufacturer
PMFBY	Pradhan Mantri Fasal Bima Yojana
PMI	Purchasing Managers’ Index
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PPP	Purchasing Power Parity
R&D	Research & Development
RPL	Recognition of Prior Learning
SEZ	Special Economic Zone
SLL	Special and Local Laws
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
USD	United States Dollar
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
WPI	Wholesale Price Index
WTO	World Trade Organization
WTTC	World Travel and Tourism Council
YoY	Year over Year

General terms/ Abbreviations

Term	Description
%	Percent
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting	Accounting Standards issued by the Institute of Chartered Accountants of India.

KHFM Hospitality and Facility Management Services Limited

Term	Description
Standards	
A. Y.	Assessment year
Approx	Approximately
BG/LC	Bank Guarantee / Letter of Credit
Bn	Billion
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
BSE	The BSE Limited
CA	Chartered Accountant
CC	Cash Credit
Cr	Crore
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
CrPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General anti avoidance rules
GDP	Gross Domestic Product
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
Mn	Million
MoF	Ministry of Finance, Government of India

Term	Description
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MVAT	Maharashtra Value Added Tax Act
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares.
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account.
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
ONGC	Oil and Natural Gas Corporation Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SME	Small and Medium Enterprises
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Wilful Defaulter	Wilful Defaulter as defined under Section 2 (1)(zn) of the SEBI (ICDR) Regulations.
-, ()	Represent Outflow

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA & CURRENCY OF FINANCIAL PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Draft Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

Financial Data

Unless stated otherwise, financial data included in this Draft Prospectus is derived from the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with SEBI (ICDR) Regulations.

In this Draft Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Prospectus.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Financial Information for Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014 are included in this Draft Prospectus.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP has not been provided in this Draft Prospectus. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Prospectus, including in sections titled "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 16, 84 and 168 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.

In this Draft Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

Currency and units of presentation

In this Prospectus, unless the context otherwise requires, all references to (a) 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India; (b) 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America. All references to the word 'Lakh' or 'Lac' or 'Lacs', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of*



KHFM Hospitality and Facility Management Services Limited

Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

These forward-looking statements and any other projections contained in this Draft Prospectus (*whether made by us or any third party*) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to be materially different than those contemplated by the relevant forward-looking statements.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- general economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Inability to identify or acquire new projects;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to section titled "*Risk Factors*"; "*Our Business*"; and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 16, 84 and 168 respectively of this Draft Prospectus .

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been



KHFM Hospitality and Facility Management Services Limited

estimated. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Our Company, our directors, the Lead Manager, the Underwriter or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being offered in this Issue, by the Stock Exchange. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Prospectus and the Prospectus until the Equity Shares are allotted to the investors.

SECTION II- RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 84 and 168 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Consolidated Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

Internal Risk Factors

- There are outstanding legal proceedings involving our Company which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time and attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

Sr No.	Nature of proceedings	No of outstanding cases	Amount involved (₹ in Lakh)
<i>Cases filed by our Company</i>			
1.	Civil	1	Not ascertainable
<i>Cases filed against our Company</i>			
2.	Civil	5	3.82
3.	Criminal	13	0.50*
<i>Revenue proceedings involving our Company</i>			
4.	Civil	8	625.78

**It is an aggregate amount penalty/fine leviable which may extend upto ₹0.50 lakh (₹ 50,000/-) under ten (10) litigations involving our Company.*

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "*Outstanding Litigation and Material Developments*" beginning on page 175.

2. ***Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.***

For the fiscal year ended March 31, 2018, 2017 and 2016; our top ten (10) largest clients accounted for approximately 67.44%, 65.77% and 61.85%, respectively of our revenues from operations. The loss of a significant client or clients would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them.

Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our income and financial condition.

3. ***An inability to recruit, train and retain qualified and experienced personnel who meet the staffing requirements of our clients may adversely affect our growth, reputation, business prospects and future financial performance.***

Our business of hospitality and facility management is manpower intensive and our reputation is dependent upon the performance of our employees. Dissatisfaction of any of the client on account of poor performance of our employees or recruitment personnel, or if any such employees do not perform in accordance with the instructions or standards established by the clients or agreed by us, our business reputation and ability to maintain or expand our client base may be adversely affected.

We spend significant time and resources in training the manpower we recruit, through our training centres. Our success is substantially dependent on our ability to recruit, train and retain manpower. However, as a result of growth in the integrated facilities management industry in India and the expected future growth, the demand for both skilled professionals and staff and unskilled workers has significantly increased in recent years. We may lose skilled workers to competing employers who pay higher wages or be forced to increase the wages to be paid to our employees. If we cannot hire or retain enough skilled professionals or unskilled workers, our ability to apply for and execute new contracts or to continue to expand our business will be impaired and consequently, our revenues could decline. Any such loss of the services of our senior management personnel or skilled professionals could adversely affect our business, prospects, financial condition and results of operation.

4. ***Our Company has, during the preceding one (1) year from the date of the Draft Prospectus, issued Equity Shares at a price that is lower than the Issue Price.***

Our Company has made Bonus Issue of 60,75,000 Equity Shares of ₹10 each to the Promoter/Promoter Group of the Company *i.e.* Mr. Ravindra Hedge and Mrs. Sujata Hegde on March 23, 2018 during the preceding one (1) year from the date of the Draft Prospectus which is lower than the Issue Price, being a Bonus Issue. For further details in relation to the Bonus Issue, please refer to the section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus.

5. ***Operational risks are inherent in our business as it includes rendering services in challenging environments. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.***

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. As a provider of facilities management services, our reputation is dependent upon the performance of our employees. If our clients become dissatisfied with the performance of our employees or if any such employees do not perform in accordance with the instructions or standards established by the clients or

agreed by us, our business reputation and ability to maintain or expand our client base may be adversely affected.

Our facilities management services business, are subject to hazards inherent in providing such services, including risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Our success in these businesses are dependent on our reputation for providing quality services, track record of safety and performance, and our relationship with our clients. Adverse publicity resulting from an accident or other hazardous incident could result in a negative perception of our services and the loss of existing or potential clients.

We are also subject to potential risks relating to misuse of client proprietary information, misappropriation of funds, death or injury to our employees, damage to the client's facilities due to negligence of employees, criminal activity or torts and other similar claims. We may incur fines and other losses or negative publicity with respect to these claims. In addition, these claims may give rise to litigation, which could be time-consuming and may incur significant costs. While such claims have not historically had a material adverse effect upon our Company, there can be no assurance that the corporate policies we have in place to help reduce our exposure to these risks will be effective or that we will not experience losses as a result of these risks.

6. ***If we are unable to collect our receivables from our clients, our results of operations and cash flows could be adversely affected.***

As of March 31, 2018, we had trade receivables of ₹2,999.28 lakh, which represented 66.67% of our total revenues as of such date, out of which ₹474.57 lakh representing 10.55% of our total revenue are outstanding for a period exceeding six months. Of the total receivables as of March 31, 2018, we had no receivables due from related parties. Our business depends on our ability to successfully obtain payment from our customers for services provided. We typically bill and collect on relatively short cycles and maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. Macro-economic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our clients, and as a result could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance or working capital requirements, or default on their payment obligations to us.

Recovery of our receivables and timely collection of client balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

7. ***We have existing debt facilities and may incur further additional debt, which could adversely affect our financial health and our ability to obtain financing in the future and react to changes in our business and increases in interest rates of our borrowings may impact our results of operation. Further, our debt financing agreements contain restrictive covenants or lenders' options that may affect our interest.***

Presently, our Company has incurred the total debt including working capital credit facilities, as on March 31, 2018, at ₹ 2349.02 lakh. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our business. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive

pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

We have entered into agreements with certain banks and financial institutions for short term and long-term borrowings, which contain restrictive covenants. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Furthermore, our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further details, please refer to section titled "*Statement of Financial Indebtedness*" beginning on page 163 of this Draft Prospectus.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

8. ***Our Company has not complied with some provisions of the Companies Act. Such non-compliance may attract penalties against our Company.***

There have been certain discrepancies in relation to statutory and corporate filings and records of our Company. For instance, Company has not filed E-Form MGT 14 (*E-Form 23 as per Companies Act, 1956*) and Form 2 as per Companies Act 2013, for allotment of shares (Bonus Issue) on March 31, 2009 passed in the Extra-Ordinary General Meeting of the shareholders held on January 29, 2009. The delay for filing E-Form was unintentional and was caused due to inadvertence. However, Company has submitted a Petition praying for condonation of delay in filing E-Form MGT 14 (*E-Form 23 as per Companies Act, 1956*) with Registrar of Companies under Section 460 of the Companies Act, 2013.

Also, Our Company has given loans and advances to directors and entities significantly influenced by directors. Additionally, certain corrections were required to be made in the audited financials of our Company with respect to compliance with Accounting Standards such as AS-15, AS-18 & AS-22, which have now been carried in restated financial statements of the Company and also necessary rectifications has been made in Audited Financial Statements for the year ended March 2018.

We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other statutory and corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

9. ***Our Company has applied for no objection certificate from Lenders to our Company and Bankers to our Company, but have not received, as on the date of this Draft Prospectus***

Our Company has availed Business Loan in form of Optionally Convertible Subordinate Debt (OCS D) from Small Industries Development Bank of India (SIDBI) of ₹300.00 lakh and has applied for no objection certificate, but are yet to receive as on the date of this Draft Prospectus. The Company has also applied for No objection certificate from ICICI Bank Limited, being the Bankers to our Company but are yet to receive the same as on date. Any delay in receipt of such approvals may affect our proposed issue.

10. ***We have substantial working capital requirements and may require additional financing to meet working capital requirements in the future. A failure in obtaining such additional financing at all or on terms favourable to us could have an adverse effect on our results of operations and financial condition.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. As on March 31, 2018, we have been sanctioned working capital of ₹ 1350.00 Lakh in form of Cash Credit facilities from Apna Sahakari Bank Limited and got further sanction of additional ₹ 200.00 Lakh in June 2018, totaling to total sanctioned limit of ₹ 1550.00 Lakh in form of Cash Credit. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

11. ***Our Company has availed unsecured loans from other entities which are payable on demand. Any short notice for repayment may have a temporary impact on financials of our Company.***

Our Company availed loans from various banks and financial institutions which are outstanding and may be recalled by them at any time. The outstanding amount of the unsecured loans from banks and financial institutions as at July 31, 2018 amounts to ₹446.88 lakh and secured loan amounts to ₹2396.3 lakh fund based and ₹759.88 is payable on demand.

In the event these or any of them seeks a repayment of such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer to section titled "Statement of Financial Indebtedness" beginning on page 163 of this Draft Prospectus.

12. ***Some of our contracts are with the Government of India or government agencies and we may face certain inherent risks associated with government contracts.***

We have entered into certain contracts involving the Government of India (GoI) and certain State Governments, Municipal Corporation and Government controlled entities, particularly in our Housekeeping, Hospitality Services, Guest House Management & Catering and Facility Management business. We may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities. We are also subject to risks arising from any abrupt change in government policy or discontinuation of funding of certain programs. In addition, there may be delays associated with collection of grants and receivables from government owned or controlled entities. Payments from government owned or controlled entities are typically made on achievement of project milestones which are subject to audit by government agencies. Any delay in certification by such government agencies could have an adverse impact on our collections and consequently on our financial condition.

13. ***Our Promoters have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.***

Our Promoters, Mr. Ravindra Hedge and Mrs. Sujata Hegde have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and

prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by Mr. Ravindra Hedge and Ms. Sujata Hegde in connection with our Company's borrowings. For further details please refer to section titled " *Statement of Financial Indebtedness*" beginning on page 163 of this Draft Prospectus.

14. ***Our Contingent Liability and Commitments could affect our financial position.***

As on March 31, 2018 we had Contingent Liability of Rs. 1227.98 lakhs which has not been provided in our financial statements and which could affect our financial position. Details of such contingent Liabilities and commitments are as follows:-

(₹ in lakh)	
Particulars	As on March 2018
Service Tax Matters (under dispute) (Refer Note)	625.79
Guarantees given by bank on behalf of the Company	602.19
Total	1,227.98

15. ***An inability to accurately anticipate the cost and complexity of performing work on any fixed price contract undertaken by us may adversely affect our results of operations.***

We negotiate pricing terms for a particular contract utilizing a range of pricing structures and conditions, including personnel and materials contracts, fixed-price contracts, and contracts with features of a mix of such pricing models. Our pricing is dependent on our internal forecasts, which may be based on limited data and could prove to be inaccurate. If we do not accurately estimate the costs and timing for completing fixed price contracts, such contracts could prove unprofitable for us or yield lower profit margins than anticipated. There is a risk that we will under-price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of such contracts, including those caused by factors outside our control, or any failure to complete our contractual obligations at the committed service levels could adversely affect our revenues and profitability.

16. ***The sector in which we operate is capital intensive in nature. We require substantial financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

Contracts in the sector in which we operate typically are capital intensive and require us to obtain financing through various means. Whether we can obtain such financing on acceptable terms is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor's confidence, our levels of existing indebtedness and other factors beyond our control.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we v be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

17. ***The Promoter and Directors of our Company has a potential Conflict of Interest.***

The Promoter of our Company, Mr. Ravindra Hegde and Mrs. Sujata Hegde are also promoters of our Group Company KHFM HR Consultancy Private Limited and Mr. Ravindra Hegde is proprietor of our group entity M/s KHFM Pest Control (*formerly known as M/s Kalpatharu's Pest Control*) are carrying on business line which forms a part of the business activities of our Company. While it may be unlikely, there may be potential conflict of interest in addressing business opportunities and strategies in circumstances where the interest of our Company may be similar to that of our Promoter Group entity, such business opportunities may create conflict of interest for our Promoter.

18. ***Our Company has entered into certain related party transactions and may continue to do so. Any such related party transaction may have an adverse effect on the business, financial condition and results of operations of our Company.***

Our Company has entered into related party transactions in ordinary course of its business at arm's length basis. We cannot assure you that any future related party transactions that would be entered into by our Company may be on favorable terms as against if such transactions would have been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect the business, results of operations and financial condition of our Company. For further details of related party transactions, please refer to Annexure-X titled "*Restated Statement of Related Party Transactions*" in the section titled "*Financial Information*" beginning on page 159 of this Draft Prospectus.

19. ***The Registered Office of our Company is on lease and license basis. Any termination of the Lease and License agreement or our failure to renew the same in a favorable, timely manner, or at all, could adversely affect our activities.***

The Registered Office premises are owned/ possessed by one of our Promoter viz. Mr. Ravindra Hegde. While we have a formal arrangement for the occupancy of the registered office, in the event, we are unable to renew the lease agreement for registered office on favourable terms, it may not be able to continue to use these premises as the registered office, which may lead to disruption in the business and administrative operations of our Company having an adverse effect on the business, financial condition and results of operations of our Company.

20. ***We may not be able to qualify for, compete and win contracts, which could adversely affect our business and results of operations.***

We obtain majorly of our business through Tender Process which involves competitive bidding process. In selection for major tenders, clients generally limit the bid to contractors (*or sub-contractors*) they have pre-qualified based on several criteria including experience, technical and technological capacity, previous performance, reputation for quality, safety record, the financial strength of the bidder/investor as well as its ability to provide performance guarantees. These requirements vary depending on our various business segments and the nature of the contract. If we are unable to pre-qualify for contracts that we intend to bid on, or successfully compete for and win such contracts, our business, results of operations and financial condition may be adversely affected.

21. ***Inability to retain existing clients or to attract new clients would hamper the growth of our business and cash flows will be adversely affected.***

There is a constant need to explore and attract new customer in order to increase our revenue and cash flows. If we are not able to generate sufficient leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to renew their contracts, and renewal rates may decline or fluctuate due to a number of factors,

including customers' satisfaction with our services, our prices and the prices of competing service providers. If we fail to sell our services to new customers or if our existing customers do not renew their contracts, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

22. *Our Group company has incurred losses in last two out of three financial years*

Our Group Company namely KHFM HR Consultancy Private Limited (*formerly known as Kalpatharu's Pest Control Private Limited*) is involved in facility management business of residential clients and has incurred losses of ₹ (3,560) in 2017 and ₹ (3,580) in 2016; during the past two out of three financial years ending 2016 to 2018. For further details, please refer to section titled "*Our Group Companies*" beginning on page 115 of this Draft Prospectus. There is no assurance that our Group Company will not incur losses in future periods or that there will not be any adverse effect on our Company's reputation or business as a result of such losses.

23. *We require to obtain, maintain and/or renew certain registrations, approvals, licenses and permission in ordinary course of our business, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.*

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to section titled "Government and Other Approvals" beginning on page 181 of this Draft Prospectus. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

24. *We may be unable to perform background verification procedures on our employees prior to placing them with our clients.*

Our internal policies require us to perform background verification procedures on all our employees prior to employing them. However, given the high volume of employees that we employ each month, and the quality of sufficiently reliable information being unavailable in some cases, we may be unable to fully perform background verification procedures on each of our employees. Our inability to perform these procedures fully could result in insufficient vetting of our employees, which could in turn result in an adverse effect on our reputation, results of operations and business prospects if such employees engaged in illegal or fraudulent activities during the course of their employment.

25. *The use of the proceeds of the Issue are based entirely on management estimates and pending such utilization, we may invest in interim investments which may result in financial loss.*

The objects for which the funds are being raised in this Issue have not been appraised by any bank or financial institution. All the figures included under the section titled "Objects of the Issue" beginning on page 66 of this Draft Prospectus are based on our own estimates. We may need to revise our expenditure and fund requirement which may not be within the control of our management. In the event of an increase in expenditure and fund requirement, we shall intend to try and meet these increased requirements through our internal accruals and additional debt/ equity arrangements. This may entail rescheduling or revising the plant expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of the board.

Our Fresh Issue size is less than ₹1,000 million, we are not required to appoint a monitoring agency under the SEBI (ICDR) Regulations. Hence, the deployment of the Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Additionally, various risks and uncertainties, including those set out in this "*Risk Factors*" section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business.



KHFM Hospitality and Facility Management Services Limited

Furthermore, pursuant to Section 27 of the Companies Act 2013, any variation in the Objects of the Issue would require a special resolution of our Shareholders, and our Promoters or Controlling Shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variations. If our shareholders exercise such an exit option, our business and financial condition could be materially and adversely affected.

26. ***Our Company has not carried out any independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us.***

Our working capital requirements have been assessed based on management's estimates and the same have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are totally based on the experience of our management. We cannot assure that these estimates may be accurate. If these estimates prove to be wrong, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability. For further details, please refer to section titled "*Objects of the Issue*" on page 66 of this Draft Prospectus.

27. ***We have not identified any alternate source of raising the working capital mentioned as our 'Objects of the Issue'. The deployment of funds is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company. For further details regarding working capital requirement, please refer to the section titled "*Objects of the Issue*" beginning on page 66 of this Draft Prospectus.

28. ***Inadequate workloads may cause underutilization of our workforce and equipment.***

We estimate our future workload largely based on whether and when we will receive certain new contract awards. While our estimates are based upon our best judgment, these estimates can be unreliable and may frequently change based on newly available information. In a project where timing is uncertain, it is particularly difficult to predict whether or when we will receive a contract award. The uncertainty of contract awards and timing can present difficulties in matching our workforce size and equipment bank with our contract needs. In planning our growth, we have been adding to our workforce and equipment as we anticipate inflow of additional orders. We maintain our workforce and utilize our equipment based upon current and anticipated workloads. We may further incur substantial equipment loans if we purchase additional equipment in anticipation of receiving new orders. If we do not receive future contract awards or if these awards are delayed or reduced, we may incur significant costs from maintaining the underutilized workforce and equipment bank and may further lack working capital to pay our equipment loan installments on time or at all, which may result in reduced profitability for us or cause us to default under our equipment loans. As such, our financial condition and results of operation may be adversely affected.

29. ***We face significant competition, as we operate in a highly fragmented and competitive industry with low barriers to entry. If we fail to compete effectively, our business, prospects, financial condition and results of operations will be adversely affected.***

Hospitality and facilities management services market is highly fragmented and competitive. We compete with both full-service and specialized facilities management services companies. We also face competition from various regional players. Price competition in the facilities management services industry is intense. We expect that the level of competition will remain high, which could directly impact the size of our workforce


and therefore potentially limit our ability to maintain or increase our profitability. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential influx of new competitors, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future. Nor can there be any assurance that our Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins

Some of our competitors may be larger than us, have stronger financial resources or more experienced management team, or have stronger execution capabilities in executing complex projects. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in facilities management business. Further, the premium placed on having experience may cause some of the new entrants to accept lower margins in order to be awarded a contract. We may also decide not to participate in some projects as accepting such lower margins may not be financially viable and this may adversely affect our competitiveness to bid for and win future contracts. We cannot assure you that we can continue to compete effectively with our competitors in the future, and failure to compete effectively against our current or future competitors may have an adverse effect on our business, results of operations and financial condition.

30. ***Our Promoters will continue to retain control over our Company after completion of the Issue, which will allow him to influence the outcome of matters submitted for approval of our shareholders.***

Our Promoters currently own 99.99% of our Equity Shares. Following the completion of the Issue, our Promoters will continue to hold majority shareholding of our Post-Issue Equity Share Capital. As a result, they will have the ability to influence matters requiring shareholder's approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

31. ***We may not be able to adequately protect or continue to use our intellectual property, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

Our Company has made applications dated October 30, 2014 for registration of our name and logo  with the Trade Marks Registry under class 35, 43, 44 and 45 which are registered under the aforementioned classes until October 30, 2014. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

32. ***We have not identified any alternate source of raising the working capital mentioned as our "Objects of the Issue". The deployment of funds is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can

adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of our Company. For further details regarding working capital requirement, please refer to the section titled "*Objects of the Issue*" beginning on page 66 of this Draft Prospectus.

33. ***Our Company has not declared any dividends in the five financial years preceding the date of the Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our Company has not paid any dividend on its Equity Shares during the last five (5) Fiscals. The amount of future dividend payments, if any, will depend upon a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. There is no assurance that we would have sufficient profitability and cash flow to pay dividends to the Shareholders.

Further, our Company's ability to pay dividend will depend on dividend payout and other distributions from our Subsidiaries. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that our Board will decide to declare dividends in the foreseeable future or if we will be able to pay dividends in the future. For additional details relating to our dividend policy, please refer to section titled "Dividend Policy" beginning on page 119 of this Draft Prospectus.

34. ***Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.***

Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees, which occur at our customer's premises. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate training or supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include motor vehicle insurance, standard fire Insurance, money insurance, and special perils insurance. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. At present, the Company has not renewed a few policies and the same is in process. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

35. ***Our Promoters, Director and certain of the members of our Promoter Group have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, Director and certain of the members of our Promoter Group may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, Director and certain members of our Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our members of Promoter Group, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please refer to section titled "*Capital Structure*"; and "*Our Promoters and Promoter Group*" beginning on pages 56; and 112 respectively of this Draft Prospectus.

36. ***Statistical and industry data in this Draft Prospectus may be incomplete or unreliable.***

Statistical and industry data used throughout this Draft Prospectus has been obtained from various government publications. We believe the information contained herein has been obtained from sources that are reliable, but we have not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Draft Prospectus is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data.

Further, this market and industry data has not been prepared or independently verified by us or the Book Running Lead Manager or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

External Risk Factors

37. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Government of India has implemented a comprehensive national goods and services tax, or the "**GST**", regime with effect from July 1, 2017 that contains multiple taxes and levies by the Central and State Governments into a unified rate structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**").

In addition, the General Anti-Avoidance Rules ("**GAAR**") became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefits to an arrangement, among other consequences. In the absence of any such precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. Further, while no law, regulation or policy has been adopted as on date, the Government of India in December 2017 released a white paper inviting comments, on 'Data Protection Framework for India', which provides for a data protection law in India based on certain principles including technology agnosticism, data minimization and accountability of the data controller (*i.e., the entity that has control over the data*).

Any such laws, if they come into force, could impose restrictions on our operations and increase our compliance costs. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

38. ***Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.***

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and in the Indian economy. Any worldwide financial instability could also have a negative effect on the Indian economy. Accordingly, any significant financial disruption could have an adverse effect on our business, financial condition and results of operations.

39. ***A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of raw materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

40. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our operations and could constrain our ability to obtain financing on favourable terms and refinance existing indebtedness. In addition, we cannot assure you that required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business, financial condition and results of operations.

41. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although, economic conditions are different in each country, investor's reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our equity shares.

Our performance, growth and market price of our equity shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global

economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

42. *The requirements of being a listed company may strain our resources.*

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Equity Listing Agreements with the Stock Exchange which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from other business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

43. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares (*including under ESOPs*), convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur, may significantly affect the trading price of the Equity Shares.

44. *Natural disasters, epidemics, terrorist attacks and other acts of violence or war could have a negative effect on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further, terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies

involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

45. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically, linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

46. ***Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

We propose to utilise the Net Proceeds for working capital purpose. For further details of the proposed objects of the Issue, please refer to section titled "*Objects of the Issue*" beginning on page 66 of this Draft Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

47. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

48. ***The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors,

some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

49. ***The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax ("**GST**") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules ("**GAAR**"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

Further, the GoI has issued a set of Income Computation and Disclosure Standards ("**ICDS**") that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources". This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

50. ***You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares. Recently, the Finance Act, 2018 levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Previously, any gain realized on the sale of listed equity

shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

51. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition.***

As stated in the reports of our Company's statutory auditors included in the Draft Prospectus, our Restated Financial Information is prepared and presented in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in the Prospectus to any other principles or to base it on any other standards such as US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

52. ***Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, and epidemics may have a material adverse effect on our Company's business and on the market for securities in India.***

Any major hostilities involving India or other countries or other acts of violence, including civil unrest including acts of terrorism or similar events that are beyond our control, could have a material adverse effect on the Indian and/or global economies and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally. Such events could also potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has witnessed civil disturbance in recent years and it is possible that future civil unrest as well as other social, economic and political events in India could have a negative impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

53. ***A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Risk related to the Issue

54. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the SME Platform of NSE may not develop or be sustained after the Issue. Our Company and the Lead Manager have appointed Monarch Network Capital Limited as a Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the SME Platform of National Stock Exchange of India Limited, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

55. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

After the completion of the Issue, our Promoters and significant shareholders will own, directly and indirectly, approximately 69.59% of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in the section titled "Capital Structure" beginning on page 56 of this Draft Red Herring Prospectus, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

56. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

Prominent Notes to Risk Factors

1. Public Issue of 29,50,000 equity shares of ₹10 each ("**Equity Shares**") of KHFM Hospitality and Facility Management Service Limited ("**KHFM**" or the "**Company**" or the "**Issuer**") for cash at a price of ₹38/- per share (the "**Issue Price**"), aggregating to ₹ 1121.00 lakh (the "**Issue**"), of which 1,47,500 equity shares of ₹10 each will be reserved for subscription by market makers to the issue (*as defined in the section "definitions and abbreviations"*) (the "**Market Maker Reservation Portion**"). The Issue less the Market Maker Reservation Portion *i.e.* Issue of 28,02,500 Equity Shares of ₹10 each is hereinafter referred to as the "**Net Issue**". The Issue and the Net Issue will constitute 30.41% and 28.89%, respectively of the Post-Issue paid-up equity share capital of the Company.
2. As at March 31, 2018, March 31, 2017, and March 31, 2016 our Company's net worth was ₹1835.95 lakh; ₹1613.53 lakh; and ₹1432.49 lakh respectively as per our Company's Restated Financial Statements.
3. As at March 31, 2018, March 31, 2017, and March 31, 2016, the net asset value per Equity Share was ₹27.20; ₹239.04; and ₹ 212.22 respectively as per our Company's Restated Financial Information.
4. The average cost of acquisition of Equity Shares by Mr. Ravindra Hegde and Mrs. Sujata Hegde is ₹3.01; and ₹2.52 respectively. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amounts paid by each of our Promoters to acquire the Equity Shares.

Name of the Promoters	No. of Equity Share held	Average price per Equity Share (₹)
Mr. Ravindra Hegde	58,04,785	3.01
Ms. Sujata Hegde	9,45,000	2.52

For further details, please refer to section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus.

5. Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra on January 27, 2006 with the name Kalpataru's Hospitality & Facility Management Service Private Limited. Further, our Company changed its name pursuant to approval of the shareholders at an extraordinary general meeting held on July 18, 2012 and consequently, the name of our Company was changed to KHFM Hospitality and Facility Management Services Private Limited and a fresh certificate of incorporation was issued by Registrar of Companies, Mumbai, Maharashtra on August 10, 2012. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 18, 2018 and consequently, the name of our Company was changed to KHFM Hospitality and Facility Management Services Limited and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Mumbai, Maharashtra on May 30, 2018. Our Corporate Identification Number is U74930MH2006PLC159290.
6. Our Company has no Group Companies as on the date of this Draft Prospectus.
7. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled "Financial Information of the Company - Annexure X - Statement of Related Parties Transactions", and "Related Party Transactions" beginning on pages 159 and 118 respectively of this Draft Prospectus.
8. There has been no financing arrangement whereby our Promoters, our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Draft Prospectus.
9. For any complaints, information or clarifications pertaining to the Issue, investors may contact the Lead Manager who has submitted the due diligence certificate to SEBI.

SECTION III- INTRODUCTION

SUMMARY OF OUR INDUSTRY

Indian Economy - Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India’s GDP is estimated to have increased 6.6% in 2017-18 and is expected to grow 7.3% in 2018-19.

Source: <https://www.ibef.org/economy/indian-economy-overview>

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.

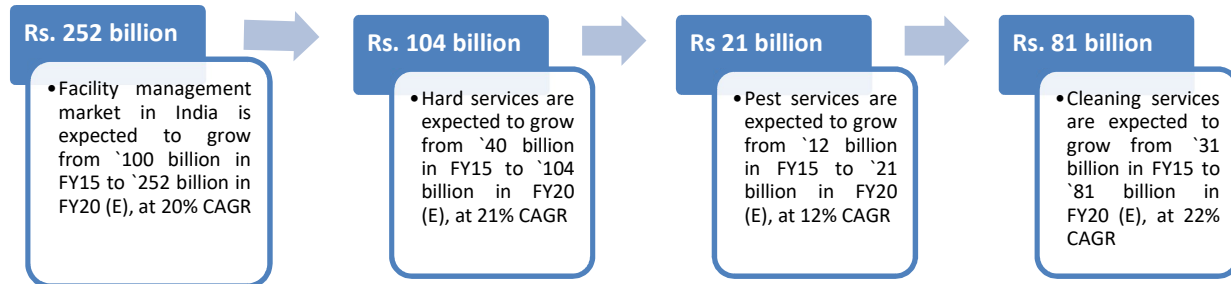
The Services are broken up into a few broad categories –

Soft Services: Housekeeping, Horticulture, Pantry/office services, Pest control, Club house Management, Guest Relations, Help Desk

Hard Services: Mechanical, Electrical, Plumbing, Energy Management & Consulting, helpdesk, Information Technology & Support

Security & Safety: Visitor Management, Fire Safety & Systems, Emergency/Quick Response, Guarding, Access Control Systems

Accounting & Billing: Financial Controls, Billing, Forecasting, Lease & Occupant Coordination Challenges



Few of the major players operating in India facility management market include CBRE Group, Inc., Jones Lang LaSalle Incorporated (JLL), SIS Group Enterprises, Quess Corp Ltd., Cushman & Wakefield, Colliers International Group Inc., Knight Frank India Pvt Ltd, Sodexo, EFS Facilities Services, and UPDATER SERVICES (P) LTD.

Demand for value added: 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.

Source: <https://www.techsciresearch.com/report/india-facility-management-market/1383.html>;
<https://www.businesswire.com/news/home/20180529005935/en/Facility-Management-Services-Market-India-Post-CAGR>;
<http://sisindia.com/wp-content/uploads/2018/06/Annual-Report-2017-18.pdf>;
Industry Trend by ISS world

Security Services Growth and Market Potential:

The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The Indian industry is still nascent and is likely to see exponential growth both in terms of manpower employed and market share due to rapid infrastructural and economic development, leading to an increased need for prevention, detection and protection of assets and citizens against criminal acts such as fraud, terrorism, theft, drug-related offences and violent crimes. Yet

another factor adding to the demand is the increase in individuals joining the billionaire league and seeking private protection at all times.

The private security industry is one of the largest employers in India, it is continuously growing. The private security industry is amongst the largest employers in India, employing almost 8.5 million people and has the potential to employ 3 million more people by 2020. Manned guarding continues to be the service line with maximum employment and is also the highest revenue generator for the private security industry, contributing to 80 per cent of the revenue, followed by cash services. With a high level of advancements in technology, services like electronic security services, integrated facility management and security architecture and engineering will see greater prominence in the time to come. This not only has the potential to improve the quality of services offered by security companies but may also prove to be a boon for the large workforce who will have the opportunity to up-skill themselves and progress to engaging employment conditions. With the passage of time, security companies have evolved from servicing only homes and businesses and are now focusing on servicing the government.

The demand for security services is fuelled by an increasing rate of urbanization, improving foreign investment activity and growing middle class owning assets they wish to protect. Fear of terrorism and crime has also fuelled this demand.

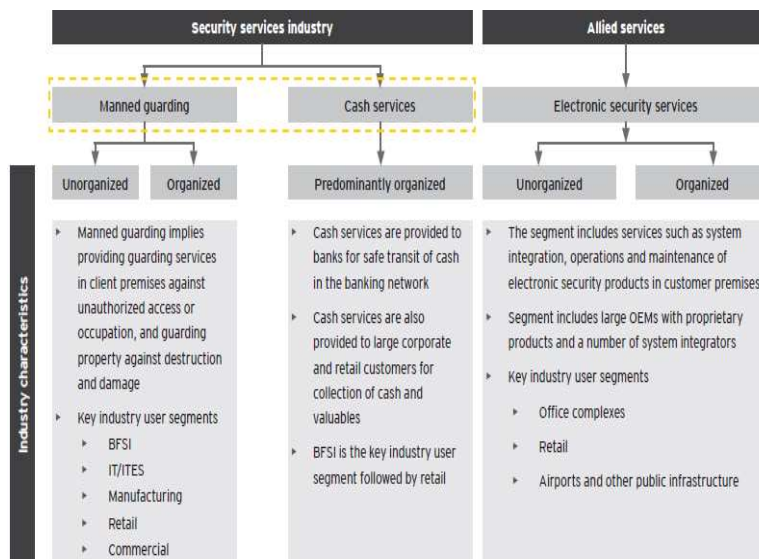
It is expected that security industry segment will rapidly grow in the developing parts of Asia, Eastern Europe, Africa and the Middle East, where security markets are relatively underdeveloped. In fact, several markets including China, India, Mexico, Russia and South Africa are expected to achieve double digit annual growth through the year 2016.

The Indian integrated security industry has been broadly classified into:

Manned guarding is the largest segment in the security space and is a human resource intensive segment. It provides security for premises and individuals. Activities under the umbrella of manned guarding include surveillance and protection of real estate properties including industrial, commercial and infrastructure facilities, security checks, crowd (event) management among others

Cash services are a growing segment considering the stringent requirements of safety of money from the principal employers. The activities under this umbrella include provision of secured logistics for cash and other valuables from banks and other corporate entities. While there are specialized cash services players, this segment is primarily dominated by the organized players which also manned guarding services

Electronic security services have vast scope for growth, though currently they are significantly small in comparison to manned guarding. They are primarily catered by large international OEMs and building solutions provider. Security service companies provide electronic security services and are also involved in installation, monitoring and maintenance.



SUMMARY OF OUR BUSINESS

Our Company, KHFM Hospitality and Facility Management Services Limited (“KHFM”) was incorporated in the year 2006. 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, 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.

Our service offerings include the following broad services which are offered by our Company as indicated below:



Facility Management



Hospitality Services & Catering



Horticulture & Gardening



Security Service

As on June 30, 2018 we were catering to over 71 clients through over contracts executed with such clients for providing various IHFM services to them. Our clients span various industries including education sector, Municipal Corporations, Railway Stations, Amusement and Water Parks, Banks, Airport, Government Guest-houses, among others.

Our Company is promoted by Mr. Ravindra Hegde and Ms. Sujata Hedge, who have over 3 decades of experience in service industry. Mr. Ravindra Hedge, the main Promoter of our Company, has been instrumental in our growth. Our senior management comprises individuals, including national heads who lead the different verticals within our IHFM solutions offerings, with significant experience in the IHFM services industry and who have been associated with our Company on an average for 10 years.

Initially, we began with the most basic of services such as cleaning, hospitality and over the period we added layers to the teams' skill sets to successfully bid for high skilled contracts such as mechanized housekeeping, landscaping & gardening, guesthouse management, pest control, and security service & more. The management and executive team understood the constantly evolving needs of the industry and invested in continuously skilling their team to take up new responsibilities.

KHFM Hospitality and Facility Management Services Limited

Headquartered in Mumbai, we have a pan-India presence across 10 states covering 21 cities through a network of site offices. As of June 30, 2018, we employed appx 2,505 employees, including over 2130 employees hired by our Company ("**Core Employees**") and over 310 employees hired on contract basis ("**Associate Employees**"). Optimum combination of human resource pool backed by integrity, KHFM provides a comprehensive array of Hospitality and Facilities Management to endow our clients with an unmatched feeling of cleanliness and hygiene for a healthy Life. Keeping in trend with time and technology, we proactively design and implement training modules, to reinforce our client's trust in us. Over the last decade, our strength has grown in numbers as well as widening our spectrum of Hospitality and Facilities Management to an extent where KHFM has become an Integrated Facility Management Solution Provider.

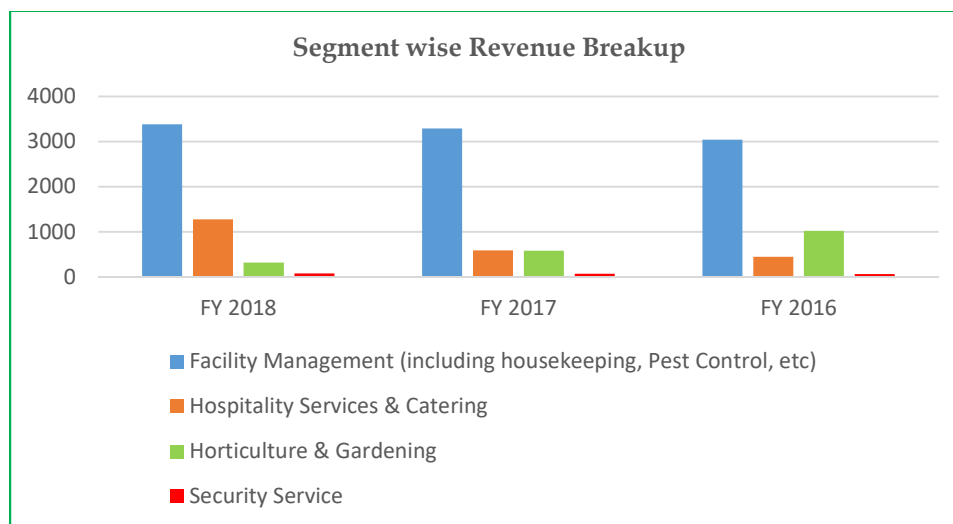
We have built in-house training and development programs for our employees. Our in-house training team and modules along with our partnerships with consultants is focused on continuous training needs identification and delivery. Our training covers on-site rules and regulations, processes; soft skills, hard skills across housekeeping, Hospitality Management Services, Horticulture and gardening and Security Services.

With a proven track record and the demand from existing and new clients, we are in a phase of natural progression and expansion phase in PAN India.

We operate on an asset-light model with low capital expenditure requirement and high working capital requirements. Currently majority of our revenues is from deployment of personnel for soft services comprising of housekeeping services, Facility Management and Hospitality Services, Guest House Management & Catering. We are increasingly being perceived as Facility Hospitality Management partners by our clients, thus gradually also developing into supplier so fall aspects of facility maintenance and operations services including technical services & other hard services such as pest control, security service, horticulture & gardening and more.

Financial Snapshot

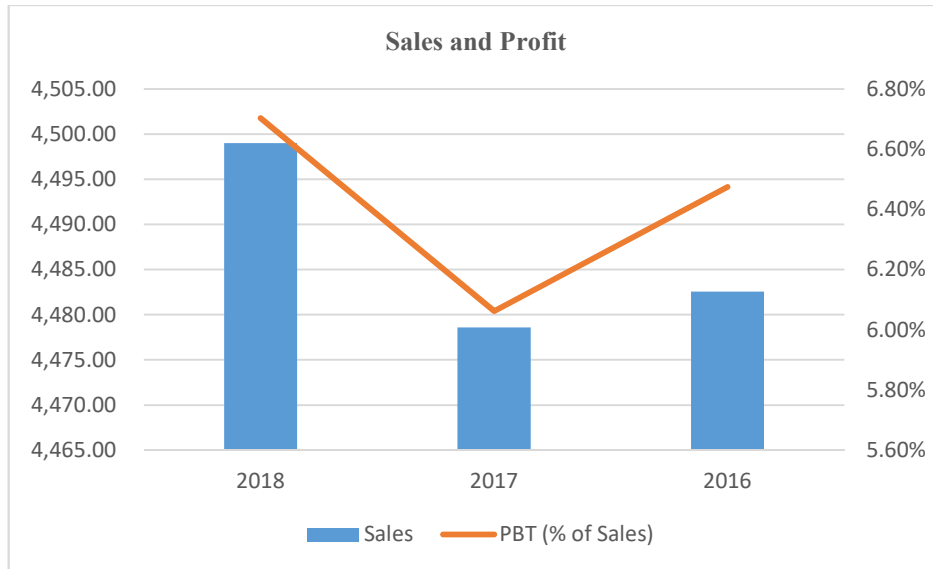
Segmental break-up of Revenue from Operation



(₹ in lakh)

Service Type	FY 2018	FY 2017	FY 2016
Facility Management (including housekeeping, Pest Control, etc)	3383.84	3290.88	3041.41
Hospitality Services & Catering	1280.41	590.10	448.14
Horticulture & Gardening	320.94	581.05	1026.00
Security Service	83.92	71.35	69.56

Revenue and Profitability Graph of our Company as per our Restated Financial Statements is as under:



Our Services

The list of services offered are as detailed below:

Facility Management – Appx 30 lac sqft of total area covered

- Mechanized house-keeping - We provide Mechanised House Keeping Service by using Modern Machineries like, ride on Scrubber Drier, Ride on Sweeping Machine, Auto Scrubber Drier, Single Disc Scrubbing Machines, High Pressure water Jet Machine, Wet & Dry Vacuum Cleaner, Steam Clearing Machines Carpet Shampooing Machine etc to Public Sector undertakings, Corporate, Govt. Offices etc.
- Pest Control Services - We provide Integrated Pest Control Services such as:
 - 1) Termite Control
 - 2) General Disinfestation treatment
 - 3) Rodent Control
 - 4) Wood Borer Treatment
 - 5) Mosquito Control Treatment to large Municipal Corporation
 - 6) Weed Control Treatment
 - 7) Pre & post construction treatment

We are member of Indian Pest Control Association (IPCA) and use latest & safe chemicals for all the treatment.

- Solid Waste Management - Municipal solid waste is collected, segregated and transferred to the designated places for treating by bio composting methods
- Miscellaneous Others - Electric Maintenance, Plumbing, Swimming pool attendant, Lift Attendant, Pump operator, Fire Fighting, etc

Hospitality Services & Catering

- Hospitality and Guest House Management: includes Room Service, Guest house Management, Front desk

Management, Lobby Management, Laundry and Other maintenance services

- Catering Management – includes Food and beverage management. At present, the company is catering to 1050 on daily basis.

✚ **Horticulture & Gardening** - We have developed and are maintaining appx 12 lakh sq.ft on daily basis.

- Lawns Development: Different types like Bermuda Grass Lawn, Posphalam, Carpet Lawn (Kolean).
- Seasonal Flower Beds: Maintain seasonal flower beds according to different seasons & locations.
- Creepers & Ground Coversm: Different types of creepers & ground covers as per site conditions & client's specifications.
- Green Landscaping: Undertake Landscape designing and execution on turnkey basis Prepare schedules, tender, measurements and supervision of work for, Star class Hotels and Resorts, Industrial and Corporate Landscapes and Exquisite cascades and fountains.
- Others: Rock Garden, Hardscape, Softscape, water Fountain, Tree Plantation, etc

✚ **Security Services** – The Company has received License to run the business of Private Security Agency bearing registration no. MAH/2017/717, granted by Office of Joint Commissioner of Police, & Controlling Authority, Mumbai in 2017. As the vertical is into expansion mode appx 36 person are engaged in providing services under this vertical. It includes Manned Guarding, Escort Guarding and Event Management.

Plant and Machineries

We own major Machineries required for Mechanized House Keeping and Gardening Services along with latest tools and equipments.

Collaborations

We have not entered into any technical or other collaboration. However, we have tie ups with other third service providers for the services. All these tie ups are in normal course of business. We are also member of ISSA & IPCA and get latest technology information through them.

Infrastructure Facilities

Talent Acquisition/Manpower

We use multipronged approach to recruitment–internal recruitment team, employee referrals, print ads, recruitment partners etc. We also do Systematic on-boarding and background verifications.

Raw Material

We do not require any major raw material. We require our regular maintenance supplies which we procure locally on monthly requirement basis.

Training

We have In-house training team and modules for continuous training needs identification and delivery. Our training covers On-Site rules and regulations, Processes; Soft skills, Hard Skills across housekeeping, maintenance, customer services, back office, etc

Utilities

Power

Our operations are not power intensive.

Human Resource

As on date; Company has total of 2,505 employees other than our Directors. The detailed break-up of our employees is as under:

Details	Total
Employees hired by Company	2130
Contractual Employees	310
Total	2505

Future Prospects

As mentioned, Company grabs 80% of its business from tenders, therefore, the company will focus on tender-based contracts as a part of its growth strategy for future. The default beneficiaries of the urban infrastructure and real estate boom in commercial segment, organized retail are the companies engaged in facility management activities. We intend to expand geographically by leveraging our existing strengths. Our Company is confident of maintaining the pace of its growth as it operates in diverse areas.

Property

The following table sets forth the location and other details of the lease hold properties of our Company:

Sr. No	Address of Property	Name of Seller/Lessor	Tenure	Purpose
1	01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai 400059	Mr. Ravindra Hegde	12 months Commencing from April 01, 2018 until March 31, 2019	Registered Office

Intellectual Property

Our Company has four (4) registered trademarks under classes 35, 43, 44 and 45 registering our Company's trademark



. These trademarks are valid till October 30, 2024.

SUMMARY OF OUR FINANCIALS

SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amt. ₹ in Lakh)

	Particulars	Annx	As At				
			31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
			₹	₹	₹	₹	₹
(1)	Equity & Liabilities						
	Shareholders' Funds						
	(a) Share Capital	A	675.00	67.50	67.50	67.50	67.50
	(b) Reserves & Surplus	B	1,160.95	1,546.03	1,364.99	1,169.94	960.31
			1,835.95	1,613.53	1,432.49	1,237.44	1,027.81
(2)	Non-Current Liabilities						
	(a) Long-term borrowings	C	850.04	675.07	439.30	117.75	218.85
	(b) Deferred Tax Liabilities	D	6.07	5.43	5.64	2.51	-
	(c) Other Non-Current Liabilities		-	-	-	-	-
	(d) Long-term provisions	E	10.45	13.02	9.90	7.97	7.53
			866.56	693.52	454.84	128.23	226.38
(3)	Current liabilities						
	(a) Short-term borrowings	F	1,498.98	1,376.50	1,399.03	1,403.45	1,397.14
	(b) Trade payables	G					
	- Dues to Micro & Small Enterprises		-	-	-	-	-
	- Dues to Other Than Micro & Small Enterprises		165.33	50.13	24.26	61.60	61.18
	(c) Other current liabilities	H	709.63	235.68	337.59	400.88	283.51
	(d) Short-term provisions	I	82.90	91.06	93.84	100.34	336.14
			2,456.83	1,753.38	1,854.71	1,966.27	2,077.97
	Total		5,159.34	4,060.44	3,742.04	3,331.94	3,332.17
	Assets						
(4)	Non-current assets						
	(a) Fixed Assets	J					
	- Property, Plant & Equipment		212.41	217.58	240.97	219.58	240.45
	- Intangible Assets		-	-	-	-	-
	- Capital Work-In-Progress		-	-	-	-	-
	(b) Non-current investments	K	5.00	5.00	5.00	5.00	5.00
	(c) Deferred Tax Assets	D	-	-	-	-	0.32
	(d) Long-term loans and advances	L	478.60	440.73	495.59	358.20	351.74
	(e) Other non-current assets		-	-	-	-	-
			696.01	663.31	741.57	582.77	597.51
(5)	Current Assets						
	(a) Inventories	M	4.42	25.69	73.83	137.78	137.58
	(b) Trade Receivables	N	2,999.28	2,689.60	2,397.72	2,138.39	1,767.14
	(c) Cash & Bank Balances	O	145.97	56.39	180.93	206.35	123.29
	(d) Short Term Loans & Advances	P	1,301.83	624.36	346.92	262.80	705.21
	(e) Other Current Assets	Q	11.83	1.08	1.08	3.84	1.44
			4,463.33	3,397.12	3,000.48	2,749.16	2,734.66
	Total		5,159.34	4,060.44	3,742.04	3,331.94	3,332.17

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively

SUMMARY OF STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Amt. ₹ in Lakh)

Particulars	Annx	For the Year ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Continuing Operations						
Revenue from operations:	R					
- Revenue From Sale of Services		4,499.00	4,478.60	4,482.55	4,596.57	4,587.04
Net Revenue from operations		4,499.00	4,478.60	4,482.55	4,596.57	4,587.04
Other income	R	9.45	9.47	15.89	15.65	10.27
Total Revenue (A)		4,508.45	4,488.07	4,498.44	4,612.23	4,597.31
Expenses:						
Cost of Materials & Stores Consumed		-	-	-	-	-
Purchase of Stock-in-trade		-	-	-	-	-
Changes in Inventories of Stock-in-Trade		-	-	-	-	-
Employee Benefits Expenses	S	3,241.77	3,020.81	2,961.93	3,132.36	2,924.58
Other Expenses	T	566.82	865.42	919.00	871.74	1,062.74
Total Expenses (B)		3,808.59	3,886.22	3,880.93	4,004.10	3,987.32
Earnings Before Interest, Taxes, Depreciation & Amortization		699.86	601.85	617.52	608.12	609.98
Finance Costs	U	374.04	303.20	307.71	274.20	265.96
Depreciation and Amortization Expenses	V	24.22	27.17	19.59	22.77	32.86
Net Profit before exceptional items, extraordinary items and tax (C=A-B)		301.60	271.48	290.21	311.16	311.17
Exceptional Items (D)		-	-	-	-	-
Net Profit before extraordinary items and tax (E=C-D)		301.60	271.48	290.21	311.16	311.17
Extraordinary Items (F)		-	-	-	-	-
Net Profit before tax (G=E-F)		301.60	271.48	290.21	311.16	311.17
Provision for Tax						
- Current Tax		81.81	89.97	92.86	98.82	99.91
- Tax adjustment of prior years		(3.26)	0.68	(0.84)	(0.12)	(0.17)
- Deferred Tax Liability / (Asset)		0.63	(0.21)	3.14	2.83	(1.94)
- MAT Credit Entitlement		-	-	-	-	-
Tax Expense For The Year (H)		79.19	90.44	95.16	101.53	97.81
Restated Net Profit after tax from Continuing Operations (I=G-H)		222.41	181.04	195.05	209.63	213.36
Net Profit from Discontinuing Operations (J)		-	-	-	-	-
Restated Net Profit for the year from total operations (K=I+J)		222.41	181.04	195.05	209.63	213.36

Note: The above statement should be read with the restated statement of assets and liabilities, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, III and IV respectively

SUMMARY OF CASH FLOW STATEMENT, AS RESTATED

(Amt. ₹ in Lakh)

Particulars	For the Year ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
1. Cash Flow From Operating Activities:					
Net Profit before tax and extraordinary item	301.60	271.48	290.21	311.16	311.17
<i>Adjustments for:</i>					
Depreciation Expenses	24.22	27.17	19.59	22.77	32.86
Finance Cost	374.04	303.20	307.71	274.20	265.96
Interest Received / Other Non-Operative Receipts	(9.45)	(9.47)	(15.89)	(15.65)	(10.27)
Operating Profit before Changes in Operating Assets & Liabilities	690.41	592.38	601.63	592.47	599.71
<i>Adjustments for:</i>					
Inventories	21.27	48.14	63.95	(0.20)	(0.21)
Trade Receivables	(309.67)	(291.88)	(259.33)	(371.25)	(83.29)
Short Term & Long Term Loans & Advances	(706.41)	(228.74)	(227.70)	434.64	(337.92)
Other Current Assets	(10.76)	0.00	2.76	(2.40)	3.95
Trade Payables	115.20	25.87	(37.34)	0.42	(18.69)
Other Current Liabilities	473.95	(101.91)	(63.29)	117.36	(94.88)
Other Non-Current Liabilities	0.00	0.00	0.00	0.00	0.00
Short Term & Long Term Provisions	(2.58)	3.25	1.38	(234.27)	233.33
Other Non-Current Assets	0.00	0.00	0.00	0.00	0.00
Changes in Operating Assets & Liabilities	(419.00)	(545.27)	(519.57)	(55.70)	(297.70)
Cash Flow from Extra-Ordinary Items	0.00	0.00	0.00	0.00	0.00
Cash Generated from Operations	271.41	47.11	82.06	536.77	302.01
Taxes Paid	(95.64)	(87.39)	(91.79)	(98.48)	(100.85)
Net Cash from Operating Activities	175.77	(40.28)	(9.73)	438.29	201.16
2. Cash Flow From Investing Activities:					
Fixed Assets / Other Assets Purchased (Net)	(19.05)	(3.78)	(40.99)	(1.90)	4.98
Interest Received/ Other Non-Operative Receipts	9.45	9.47	15.89	15.65	10.27
Net Cash from Investing Activities	(9.59)	5.69	(25.10)	13.75	15.25
3. Cash Flow From Financing Activities:					
Proceeds from Short term borrowings	122.47	(22.52)	(4.43)	6.31	4.91
Proceeds from Long term borrowings	174.98	235.77	321.55	(101.10)	(49.16)
Finance Cost	(374.04)	(303.20)	(307.71)	(274.20)	(265.96)
Net Cash from Financing Activities	(76.60)	(89.95)	9.41	(368.98)	(310.20)
Net Increase/ (Decrease) in Cash & Cash Equivalents	89.58	(124.54)	(25.42)	83.06	(93.79)
Cash & Cash Equivalents at the beginning of the year	56.39	180.93	206.35	123.29	217.08
Cash & Cash Equivalents at the end of the year	145.97	56.39	180.93	206.35	123.29

THE ISSUE

Following table summarizes the present Issue in terms of this Prospectus

Particulars	Details of Equity Shares
Public Issue of Equity Shares by our Company#	Issue of upto 29,50,000 Equity Shares having face value of ₹10.00 each at a price of ₹38.00 per Equity Share (including a share premium of ₹ 28.00 per Equity share) aggregating ₹ 1121.00 lakh.
<i>of which</i>	
Market Maker Reservation Portion	Issue of upto 1,47,500 Equity Shares having face value of ₹10.00 each at a price of ₹ 38.00 per Equity Share aggregating ₹ 56.05 lakh
Net Issue to the Public*	Issue of upto 28,02,500 Equity Shares having face value of ₹10.00 each at a price of ₹ 38.00 per Equity Share aggregating ₹ 1064.95 lakh
	<i>of which</i>
	Upto 14,01,250 Equity Shares having face value of ₹10.00 each at a price of ₹ 38.00 per Equity Share aggregating ₹532.48 lakh will be available for allocation to Retail Individual Investors.
	Upto 14,01,250 Equity Shares having face value of ₹10.00 each at a price of ₹38.00 per Equity Share aggregating ₹532.48 lakh will be available for allocation to other than Retail Individual Investors.
Pre and Post Issue Share Capital of our Company	
Equity Shares outstanding prior to the Issue	67,50,000 Equity Shares of face value of ₹10/- each
Equity Shares outstanding after the Issue	97,00,000 Equity Shares of face value of ₹ 10/- each
Objects of the Issue/ Use of Issue Proceeds	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 66 of this Draft Prospectus

Public issue of 29,50,000 Equity Shares of ₹ 10.00 each for cash at a price of ₹ 38.00 per Equity Share of our Company aggregating to ₹ 1121.00 lakh is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details refer “Terms of the Issue” on page 198. The Issue has been authorized pursuant to a resolution of our Board of Directors dated August 24, 2018 and by special resolution passed at the Extra-Ordinary General Meeting of the members held on August 25, 2018.

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer, “the allocation” in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - i. Individual applicants other than Retail Individual Investors.
 - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

GENERAL INFORMATION

KHFM Hospitality and Facility Management Services Limited was originally incorporated as a private limited company under the Companies Act, 1956 in the name of Kalpataru's Hospitality and Facility Management Services Private Limited vide Certificate of Incorporation dated on January 27, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai ("**RoC**") bearing CIN U74930MH2006PTC159290. Subsequently, by a special resolution passed at the EGM of our Company held on July 18, 2012 the name of our Company was changed from Kalpataru's Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited and a Fresh Certificate of Incorporation dated August 10, 2012 was issued by the RoC. Further, our Company was converted into a public limited company pursuant to special resolution passed at the EGM of our Company held on May 18, 2018 and the name of our Company was changed to KHFM Hospitality and Facility Management Services Limited and a Fresh Certificate of Incorporation dated May 30, 2018 was issued by the RoC bearing CIN U74930MH2006PLC159290. For details of changes in name and registered office of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 95 of this Draft Prospectus.

Registered Office of our Company

KHFM Hospitality and Facility Management Services Limited

01, Nirma Plaza, Makhwana Road,
Marol Naka, Andheri (East),
Mumbai 400 059, Maharashtra, India.

Telephone: +91 22 2851 1234

Facsimile: +91 22 2859 1483

CIN: U74930MH2006PTC159290

Website: www.khfm.in

Email id: investorrelations@khfm.in

Designated Stock Exchange

Our Company proposed to list its Equity Shares on Emerge Platform of National Stock Exchange of India Limited ("**NSE Emerge**").

National Stock Exchange of India Ltd (NSE)

Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051

Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, Mumbai located at Everest, 5th Floor, 100 Marine Drive, Mumbai 400002, Maharashtra, India.

Board of Directors

Our Company's board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Ravindra Malinga Hegde <i>Managing Director</i> DIN: 01821002	60 years	F-2504, Oberoi Splendor, JVL Road, Opp. Majas Depot, Jogeshwari (East), Mumbai 400 060, Maharashtra, India
Mrs. Sujata Ravindra Hegde <i>Executive Director</i> DIN: 01829352	50 years	F-2504, Oberoi Splendor, JVL Road, Opp. Majas Depot, Jogeshwari (East), Mumbai 400 060, Maharashtra, India
Mr. Saurav Ravindra Hegde <i>Non-Executive Director</i> DIN: 08116567	22 years	F-2504, Oberoi Splendor, JVL Road, Opp. Majas Depot, Jogeshwari (East), Mumbai 400 060, Maharashtra, India.

Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Abhibrat Shanker Das <i>Independent Director</i> DIN: 08205814	35 years	B-1/11, Panchavati Apartment, Juhu Cross Lane, New India Colony Bus Stop, C d Barfiwala Marg, Mumbai 400 058, Maharashtra, India.
Mr. Brahm Pal Singh <i>Independent Director</i> DIN: 08045923	61 years	A-304, Bhoomi Hills CHS, Thakur Village, Mumbai 400 101, Maharashtra, India.
Mr. Ravi Vimal Nevatia <i>Independent Director</i> DIN: 07200190	55 years	303, Ganga Preet, ITI Road, Behind Saraswat Bank, Aundh, Pune 411 007, Maharashtra, India.

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 100 of this Draft Prospectus.

Company Secretary and Compliance Officer

Mr. Anubhav Shrivastava
01, Nirma Plaza, Makhwana Road,
Marol Naka, Andheri (East)
Mumbai 400 059, Maharashtra, India.
Telephone: +91 22 2851 1234
Facsimile: +91 22 2859 1483
CIN: U74930MH2006PTC159290
Website: www.khfm.in
Email id: cs@khfm.in

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post- Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account, or Refund Orders.

Chief Financial Officer of our Company

Our Company has appointed Mr. Naveen Carvalho, as the Chief Financial Officer. His contact details are set forth hereunder:

Mr. Naveen Carvalho
01, Nirma Plaza, Makhwana Road
Marol Naka, Andheri (East)
Mumbai 400 059, Maharashtra, India.
Telephone: +91 22 2851 1234
Facsimile: +91 22 2859 1483
CIN: U74930MH2006PTC159290
Website: www.khfm.in
Email id: cfo@khfm.in

Details of Key Intermediaries pertaining to this Issue and our Company:

Lead Manager to the Issue	Registrar to the Issue
Bonanza Portfolio Limited Bonanza House, Plot no M-2, Cama Industrial Estate, Walbhat Road, Goregaon (E), Mumbai-400 063 Telephone: +91 22 4059 5757 Facsimile: +91 22 2686 5774 Email: swati.agrawal@bonanzaonline.com Investor grievance email:	Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059, India. Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: ipo@bigshareonline.com Investor grievance email: investor@bigshareonline.com

KHFM Hospitality and Facility Management Services Limited

Lead Manager to the Issue mbgrievances@bonanzaonline.com Contact Person: Mrs. Swati Agrawal Website: www. bonanzaonline.com SEBI registration number: INM000012306 CIN: U65991DL1993PLC052280	Registrar to the Issue Contact Person: Mr. Srinivas Dornala Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534
Statutory Auditors of the Company G.R. Shetty & Co. Chartered Accountants Address: B/5, Sai Prasad, Telly Gally Cross Lane, Andheri (East), Mumbai 400 069 Telephone: +91 22 26842788 Email: grshettyco@gmail.com Contact Person: CA Gopalkrishna Shetty Firm Registration No.: 110093W Membership No: 040599	Peer Review Auditors * SVK & Associates Chartered Accountants C, 701-702, Titanium Square, Thaltej Cross Road, S.G. Road, Ahmedabad 380054, Gujarat, India Tel No: +91 79 40320800 Email: svk@casvk.com Firm Registration No.: 118564W Contact Person: CA Shilpang V. Karia Membership No: 102114
Legal Counsel to the Issue Desai & Diwanji Advocates & Solicitors Lentin Chambers, Dalal Street Fort, Mumbai 400 001, India. Telephone: +91 22 3984 1000 Facsimile: +91 22 2265 8245 Contact Person: Mr. Shrikant Malani	

M/s. SVK & Associates, Chartered Accountants, is appointed as peer review auditor of our Company in compliance with Section IX of Part A of Schedule VIII of SEBI (ICDR) Regulations and holds a valid peer reviewed certificate dated September 16, 2016 issued by the Institute of Chartered Accountants of India.

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account. All Complaint's, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Bankers to our Company	
Deutsche Bank 2 nd Floor, Block 1, Nirlon Knowledge Park, Western Express Highway, Goregaon (East), Mumbai 400 063 Telephone: +91 22 71803000 Facsimile: +91 22 71803663 Email: mohamed.ibrahim@db.com Contact Person: Mohamed Ibrahim Website: www.db.com	Central Bank of India J.B. Nagar Branch, Andheri Kurla Road, Andheri (East), Opp Hotel Kohinoor, Mumbai 400 059, Maharashtra, India Telephone: +91 22 2821 6418 Facsimile: +91 22 2839 6477 Email: bmsro1332@centralbank.co.in Contact Person: Mr. Sunil Ramteke Website: www.centralbankofindia.co.in

Bankers to our Company	
<p>IDBI Bank Mukund Nagar, Building No. 1, Andheri Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra, India. Telephone: +91 22 6693 7000 Facsimile: +91 22 2895 3027 Email: - Contact Person: Mr. Kapil Jabsheti Website: www.idbi.co.in</p>	<p>HDFC Bank Unit No.001, Town Center, Andheri Kurla Road, Near Kobe Sizzlers, Andheri (East), Mumbai 400 059, Maharashtra, India. Telephone: 9322877327 Facsimile: - Email: jogesh.bohra@hdfcbank.com Contact Person: Mr. Jogesh Bohra Website: www.hdfcbank.com</p>
<p>ICICI Bank Limited* Unit No. 9 and 10, Sagar Tech Plaza A Wing, Sakinaka, Andheri (East), Mumbai 400 072, India. Telephone: +91 22 2920 2288 / 1198 Facsimile: +91 22 [●] Email: [●] Contact Person: [●] Website: www.icicibank.com</p>	<p>Oriental Bank of Commerce Nand Bhavan, 48, Central Bazar Road, Bajaj Nagar, Nagpur 440010 Telephone: +91 712 224552/ 2245551 Facsimile: - Email: bm1674@obc.co.in Contact Person: Ms. Jayashri Website: www.obcindia.co.in</p>
<p>Apna Sahakari Bank Limited 1st Floor, Apna Bazar Building, J.P Road, Andheri (West), Mumbai 400058, Maharashtra, India. Telephone: +91 22 2674 4861/ 26743080 Facsimile: +91 22 2674 4643 Email: anw@apnabank.co.in Contact Person: Mr. Ramdas Vishnu Gaonkar Website: www.apnabank.co.in</p>	<p>State Bank of India Capital Market Branch, Mumbai Main Branch Building, 3rd Floor, Mumbai Samachar Marg, Fort, Mumbai 400 023, Maharashtra, India. Telephone: +91 22 2271 9102 Facsimile: +91 22 22719126 Email: nib.11777@sbi.co.in / dw.11777@sbi.co.in Contact Person: Mr. Indra Kant Chaurasia Website: www.sbi.co.in</p>
<p>State Bank of India SHAR Project, Sriharikota, Sullurupet Mandal, SPSR Nellore District Telephone: + 8623 245866 Facsimile: +08623 245833 Email: sbi.01982@sbi.co.in Contact Person: Mr. K Sivaram Website: www.sbi.co.in</p>	

* Company has applied for no objection certificate but are yet to receive, as on date of draft prospectus

Consent for account at Marol Branch and Sakinaka Branch

Statement of *inter se* allocation of Responsibilities for the Issue

Bonanza Portfolio Limited is the sole Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Self-Certified Syndicate Banks (SCSBs)

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm respectively as updated from time to time.

Registrar to the Issue and Share Transfer Agents

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts Opinion

Except as stated below, our Company has not obtained any expert opinions:

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Credit Rating

This being an issue of Equity Shares, credit rating is not required.

Trustees

This being an issue of Equity Shares, the appointment of trustees is not required.

Debenture Trustees

This being an issue of Equity Shares, the appointment of Debenture trustees is not required.

IPO Grading

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations there is no requirement of appointing an IPO Grading agency.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, since the size of the present Issue is less than ₹10,000 lakhs, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Although in terms of the SEBI (LODR) Regulations, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

Underwriting

The Issue is 100% underwritten by the Lead Manager in their capacity of Underwriter to the issue. Pursuant to the terms of the Underwriting Agreement dated Thursday, September 06, 2018 entered into by us with Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters are registered with SEBI or registered as brokers with the stock exchange. The Details of the Underwriting commitments are as under:

(₹ in lakh)

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (₹ in lakh)	% of the total Issue size Underwritten
Bonanza Portfolio Limited Bonanza House, Plot no M-2, Cama Industrial Estate, Walbhat Road, Goregaon (E), Mumbai-400 063 Telephone: +91 22 4059 5757 Facsimile: +91 22 2686 5774 Email: swati.agrawal@bonanzaonline.com Contact Person: Mrs. Swati Agrawal Website: www.bonanzaonline.com SEBI registration number: INM000012306 CIN: U65991DL1993PLC052280	29,50,000	1121.00 lakh	100

In the opinion of the Board of Directors of our Company, the resources of the abovementioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

Details of Market Making Arrangement for the Issue

Our Company has entered into Market Making Agreement dated Thursday, September 06, 2018 with the following Market Maker to fulfil the obligations of Market Making for this issue:

KHFM Hospitality and Facility Management Services Limited

Name	Monarch Network Capital Limited (Earlier known as Network Stock Broking Limited)
Correspondence Address:	Monarch House, Opp. Ishwar Bhuvan, Commerce Six Road, Navarangpura, Ahmedabad, Gujarat - 380009
Tel No.:	+91 079 6600 0588 / 754
Fax No.:	+91 079 26666599
E-mail:	gajara.joshi@mnclgroup.com
Website:	www.mnclgroup.com
Contact Person:	Ms. Gajara Joshi
SEBI Registration Number:	INZ000008037

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by the NSE and SEBI regarding this matter.

Following is a summary of the key details pertaining to the Market Making Arrangement:

1. The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
 2. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (*individually or jointly*) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
 3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 5% of the Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing two (2) way quotes.
 4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
 5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
 6. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
 7. On the first day of the listing, there will be pre-opening session (*call auction*) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
 8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
 9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
 10. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
- In case of termination of the abovementioned Market Making agreement prior to the completion of the

compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

11. Risk containment measures and monitoring for Market Makers:

NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

12. Price Band and Spreads:

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the NSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

13. Punitive Action in case of default by Market Makers:

Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

14. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

15. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Draft Prospectus and after giving effect to this Issue, is set forth below:

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issuer Price
A	Authorised Share Capital		
	1,20,00,000 Equity Shares having face value of ₹ 10/- each	1,200.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue*		
	67,50,000 Equity Shares having face value of ₹10/- each fully paid up before the issue	675.00	-
C	Present issue in terms of this Draft Prospectus**		
	Issue of 29,50,000 equity shares of ₹10/- each at a price of ₹38/- per equity share	295.00	1121.00
	<i>Which comprises</i>		
	1,47,500 Equity Shares of ₹ 10/- each at a price of ₹38/- per equity share reserved as Market Maker portion	14.75	56.05
	Net Issue to the Public of 28,02,500 Equity Shares of ₹ 10/- each at a price of ₹ 38/- per equity share	280.25	1064.95
	<i>of which</i>		
	14,01,250 Equity Shares of ₹10/- each at a price of ₹ 38/- per share will be available for allocation for allotment to Retail Individual Investors upto ₹ 2,00,000	140.13	532.48
	14,01,250 Equity Shares of ₹ 10/- each at a price of ₹38/- per share will be available for allocation for allotment to Other than Retail Investors above ₹ 2,00,000	140.13	532.48
D	Issued, Subscribed & Paid-up Share Capital after the Issue		
	97,00,000 Equity Shares of ₹ 10/- each	970.00	-
E	Securities Premium Account		
	Before the Issue		-
	After the Issue		826.00

* As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.

**The Issue has been authorized by our Board pursuant to a resolution dated August 24, 2018, and by our Equity Shareholders pursuant to a resolution passed at the Extra Ordinary General Meeting held on August 25, 2018.

Class of Shares

Our Company has only one class of share capital *i.e.* Equity Shares of ₹10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

Notes on Capital Structure

1. Details of change in Authorised Capital

Date of Meeting	AGM/EGM	Change in Authorised Capital
Upon Incorporation	N.A.	Initial Authorised Share Capital of the Company ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10/- each
February 20, 2007	EGM	Increase in Authorised Share Capital of the Company from ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10/- each
March 15, 2012	EGM	Increase in Authorised Share Capital of the Company from ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10/- each to ₹ 75,00,000 divided into 7,50,000 Equity Shares of ₹ 10/- each
March 19, 2018	EGM	Increase in Authorised Share Capital of the Company from ₹ 75,00,000 divided into 7,50,000 Equity Shares of ₹ 10/- each to ₹ 12,00,00,000 divided into 1,20,00,000 Equity Shares of ₹ 10/- each

2. Equity Share Capital history of our Company

Date of Allotment/ Date of fully Paid up	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Securities Premium Account
Upon Incorporation	10,000	10	10	Cash	Subscription to MOA ⁽¹⁾	10,000	10,000	0
March 15, 2007	40,000	10	122.50	Cash	Further Allotment ⁽²⁾	50,000	5,00,000	45,00,000
March 31, 2009	4,50,000	10	NA	Non-Cash	Bonus Issue in the ratio of 1:9 ⁽³⁾	5,00,000	50,00,000	0
September 28, 2012	1,75,000	10	85	Cash	Further Allotment ⁽⁴⁾	6,75,000	67,50,000	1,76,25,000
March 23, 2018	60,75,000	10	NA	Non-Cash	Bonus Issue in the ratio of 1:9 ⁽⁵⁾	67,50,000	6,75,00,000	0

Notes:

- (1) Allotment of Equity Shares on subscription to MoA to Mr. Ravindra Hegde (5,000); and Ms. Sujata Hegde (5,000).
- (2) Further allotment of Equity Shares to Mr. Ravindra Hegde (38,000) and Ms. Sujata Hegde (2,000);
- (3) Allotment of Equity Shares by way of Bonus Issue (9:1) to Mr. Ravindra Hegde (3,87,000) and Ms. Sujata Hegde (63,000);
- (4) Further allotment of Equity Shares to Mr. Ravindra Hegde (1,50,500) and Ms. Sujata Hegde (24,500); and
- (5) Allotment of Equity Shares by way of a Bonus Issue (9:1) to Mr. Ravindra Hegde (52,24,500) and Ms. Sujata Hegde (8,50,500).

3. Preference Share Capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Prospectus.

4. Issue of Equity Shares in the last one (1) year

Except as disclosed in point 2 above, we have not issued any Equity Shares in the last two years preceding the date of Draft Prospectus.

5. Equity Shares issued for consideration other than cash

Our Company has not issued any Equity Shares out of revaluation reserves. Our Company has not issued any Equity Shares for consideration other than cash as on the date of this Draft Prospectus

6. Build –up of our Promoter’s Shareholding, Promoter’s Contribution and Lock- in

a) Capital build up in respect of Shareholding of our Promoter

As on the date of Draft Prospectus, our promoters Mr. Ravindra Hegde and Mrs. Sujata Hegde holds 58,04,785 equity shares and 9,45,000 equity shares respectively of our Company.

None of the Equity Shares held by our Promoters are subject to any pledge. Our Company has not issued any preference shares to our Promoter as on the date of this Draft Prospectus. Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

i) Mr. Ravindra Hegde

Date of Allotment and made fully paid up/ transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price per Equity Share (₹)	Pre- Issue Shareholding %	Post- Issue Shareholding %	Source of Funds
Upon Incorporation	Subscription to MOA	5,000	10	10	0.07%	0.05	Cash
March 15, 2007	Further Allotment	38,000	10	122.5	0.56%	0.39	Cash
March 31, 2009	Bonus Issue in the ratio of 1:9	3,87,000	10	-	5.73%	3.99	-
September 28, 2012	Further Allotment	1,50,500	10	85	2.23%	1.55	Cash
March 23, 2018	Bonus Issue in the ratio of 1:9	52,24,500	10	-	77.40%	53.86	-
May 14, 2018	Transfer	(215)	10	10	Negligible	Negligible	Cash
Total		58,04,785			85.99%		

ii) Mrs. Sujata Hegde

Date of Allotment and made fully paid up/ transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price per Equity Share (₹)	Pre- Issue Shareholding %	Post- Issue Shareholding %	Source of Funds
Upon Incorporation	Subscription to MOA	5,000	10	10	0.07%	0.05%	Cash
March 15, 2007	Further Allotment	2,000	10	122.5	0.03%	0.02%	Cash
March 31, 2009	Bonus Issue in the ratio of 1:9	63,000	10	-	0.93%	0.65%	-
September 28, 2012	Further Allotment	24,500	10	85	0.36%	0.25%	Cash
March 23, 2018	Bonus Issue in the ratio of 1:9	8,50,500	10	-	12.60%	8.77%	-
Total		9,45,000			14.00%	9.74%	

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

b) Details of Shareholding of our Promoter/ Promoter Group as on the date of Draft Prospectus

Particulars	Pre Issue		Post Issue*	
	No of Shares	%	No of Shares	%
Promoter				
Ravindra Hegde	58,04,785	86.00	58,04,785	59.84
Sujata Hegde	9,45,000	14.00	9,45,000	9.74
Total (A)	67,49,785	100.00	67,49,785	69.59
Promoter Group				
Saurav Hegde	100	Negligible	100	Negligible
Riddhi Hegde	100	Negligible	100	Negligible
Total (B)	200	Negligible	200	Negligible
Total (A+B)	67,49,985	100.00	67,49,985	69.59

* Assuming full subscription of the Issue

All Equity Shares held by our Promoter/ Promoter Group is in dematerialized form as on the date of this Draft Prospectus

c) Details of Promoter Contribution locked in for 3 Years

Pursuant to Regulations 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-issue equity share capital of our Company held by our Promoters shall be considered as the minimum Promoter's contribution and locked in for a period of three (3) years from the date of Allotment ("**Minimum Promoter's Contribution**"). All Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoter's Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations.

Accordingly, Equity Shares aggregating to 20% of the post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

Name of Promoter	Date on which the Equity Shares were Allotted/ Acquired	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	% of post-Issue share capital	Period of Lock-in
Mr. Ravindra Hegde	23-Mar-18	Bonus	14,55,000	10	-	Other than cash	15.00%	3 years
Mrs. Sujata Hegde	23-Mar-18	Bonus	4,85,000	10	-	Other than cash	5.00%	3 years
Total			19,40,000				20.00%	

For details on the build-up of the Equity Share capital held by our Promoters, please refer to "**Build-up of our Promoter's shareholding in our Company**" beginning on page 58 of this Draft Prospectus.

Our Promoters have given consent to include such number of Equity Shares held by them, as may constitute 20.00% of the fully diluted post-Issue Equity Share capital of our Company, as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as "promoter" under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this regard, we confirm that:

- (i) The equity shares acquired during the three (3) years preceding the date of this Draft Prospectus (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters Contribution;
- (ii) the Equity Shares acquired during the one (1) year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Prospectus pursuant to conversion of a partnership firm; and.
- (iv) the Equity Shares held by our Promoters that are subject to any pledge or any form of encumbrance.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoter/s or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferee/s for the remaining period and compliance with the Takeover Regulations, as applicable.

d) Details of equity shares locked-in for one (1) year

In terms of Regulation 37 of the SEBI (ICDR) Regulations, the entire pre-Issue Equity Share capital will be locked-in for a period of one (1) year from the date of Allotment in the Issue, except (a) the Minimum Promoter's Contribution which shall be locked in as above.

e) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in for one (1) year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoter's Contribution for three (3) years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").



KHFM Hospitality and Facility Management Services Limited

Further, in terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one (1) year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

7. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on the date of the Draft Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shares held (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights Class Equity Shares	Class equity	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	4	67,49,985	Nil	Nil	67,49,985	100.00	67,49,985	Nil	67,49,985	100.00	Nil	Nil	Nil	Nil	6749985	
(B)	Public	3	15	Nil	Nil	15	0.00	15	Nil	15	0.00	Nil	Nil	Nil	Nil	15	
(C)	Non-Promoter-Non-Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Total	7	67,50,000	Nil	Nil	67,50,000	100.00	67,50,000	Nil	67,50,000	100.00	Nil	Nil	Nil	Nil	6750000	

Notes: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company

KHFM Hospitality and Facility Management Services Limited

8. The Lead Manager and their respective associates do not hold any Equity Shares as on the date of this Draft Prospectus.
9. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
10. Except as mentioned below, none of our Directors hold Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Pre-Issue		Post Issue	
	No. of Shares	% of holding	No. of Shares	% of holding
Ravindra Hegde	58,04,785	86.00%	58,04,785	59.84%
Sujata Hegde	9,45,000	14.00%	9,45,000	9.74%
Saurav Ravindra Hegde	100	0.001%	100	0.001%

11. None of the Key Managerial Personnel's hold Equity Shares in our Company as on the date of this Draft Prospectus except as mentioned below:

Particulars	Pre-Issue		Post Issue	
	No. of Shares	% of holding	No. of Shares	% of holding
Ravindra Hegde	58,04,785	86.00%	58,04,785	59.84%
Sujata Hegde	9,45,000	14.00%	9,45,000	9.74%
Naveen Carvallo	5	Negligible	5	Negligible
Shekhar Prabhakar Thigaley	5	Negligible	5	Negligible

12. As on date of this Draft Prospectus, our Company has seven (7) shareholders.

13. Top Ten Shareholders of our Company

- (i) Our top ten shareholders of our Company as on the date of filing of the Draft Prospectus are as follow:

Sr. No	Particulars	No. of Equity Shares	Shareholding (%)
1	Ravindra Hegde	58,04,785	86.00%
2	Sujata Hegde	9,45,000	14.00%
3	Saurav Ravindra Hegde	100	0.001%
4	Riddhi Ravindra Hegde	100	0.001%
5	Naveen Carvallo	5	Negligible
6	Shekhar Prabhakar Thigaley	5	Negligible
7	Kalavati Keshav Shettigar	5	Negligible
	Total	67,50,000	100.00%

- (ii) Our top ten shareholders of our Company 10 days prior filing of the Draft Prospectus are as follows:

Sr. No	Particulars	No. of Equity Shares	Shareholding (%)
1	Ravindra Hegde	58,04,785	86.00%
2	Sujata Hegde	9,45,000	14.00%
3	Saurav Ravindra Hegde	100	0.001%
4	Riddhi Ravindra Hegde	100	0.001%
5	Naveen Carvallo	5	Negligible
6	Shekhar Prabhakar Thigaley	5	Negligible
7	Kalavati Keshav Shettigar	5	Negligible
	Total	67,50,000	100.00%

- (iii) Our Company had 2 (two) shareholders two years prior to the date of this Draft Prospectus, and the number of equity shares held by them are as set forth below:

Sr. No	Particulars	No. of Equity Shares	Shareholding (%)
1	Ravindra Hegde	580500	86.00%
2	Sujata Hegde	94500	14.00%
	Total	675000	100.00%

14. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
15. Our Company presently does not intend or propose to alter its capital structure for a period of six (6) months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Issue; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Prospectus and as will be disclosed in the Prospectus, provided they have been approved by our Board.
16. Except as mentioned below, none of the members of our Promoter Group, our Promoters, or our Directors and their immediate relatives have purchased or sold any securities of the Company during the period of six (6) months immediately preceding the date of filing of this Draft Prospectus with the SEBI. For further details, please refer to section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus.

Date of Acquisition/Sale	Name of the Transferor /Transferee	Number of Shares	Face Value	Issue Price/Acquired Price	Nature	Category
May 14, 2018	Mr. Ravindra Hegde	(215)	10.00	10.00	Transfer	Promoter
May 14, 2018	Mr. Saurav Hegde	100	10.00	10.00	Acquisition of shares by way of Transfer	Promoter Group
May 14, 2018	Mr. Riddhi Hegde	100	10.00	10.00	Acquisition of shares by way of Transfer	Promoter Group

The maximum and minimum price of aforesaid transaction has been ₹10 per Equity share and ₹ Nil per Equity share

17. There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.
18. Neither our Company nor our Directors have entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the Managers have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.
19. There are no safety net arrangements for this public issue
20. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.



KHFM Hospitality and Facility Management Services Limited

21. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid- up equity shares.
22. As per RBI regulations, OCBs are not allowed to participate in this Issue.
23. Our Promoters, Promoter Group and Group Companies will not participate in the Issue
24. Company has not made any public issue or right issue of any kind or class of securities since its incorporation.
25. Our Company presently does not intend or propose to alter its capital structure for a period of six (6) months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Issue; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.
26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
27. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Prospectus with the RoC in relation to this Issue with the RoC and the date of closure of the Issue shall be reported to the Stock Exchange within twenty four (24) hours of the transactions.
28. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
30. As on the date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 (230-234 of the Companies Act, 2013).
31. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from submission of this Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.
32. This Issue is being made through Fixed Price method.
33. Our Company has not revalued its assets since incorporation

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 29,50,000 Equity Shares of our Company at an Issue Price of ₹ 38/- per equity share.

The Fresh Issue

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

- Meeting additional Working Capital Requirement
- General Corporate Purpose

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE (“NSE EMERGE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

Net Proceeds (Requirement of Funds)

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in lakh)
Gross Proceeds of Issue	1121.00
Less: Issue Related Expenses	95.00
Net Issue Proceeds	1026.00

Utilization of Net Issue Proceeds:-

The Net Issue Proceeds are proposed to be used in accordance with the details as set forth below:

Sr. No	Particulars	Amount (₹ in lakh)
1.	To meet working capital requirement	1000.00
2.	General Corporate Purpose	26.00
	Total	1026.00

Means of Finance:

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amount (₹ in lakh)
Net Issue Proceeds	1026.00
Total	1026.00

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment of funds is based on internal management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external

factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

Details of Use of Net Issue Proceeds:

1. To meet the Working Capital requirement

We will need additional working capital for the growth of our business. We have estimated our additional working capital requirements for FY 2018 and FY 2019 which will be funded through the proposed public issue. The working capital will be primarily used for expanding our business operations.

Our Company proposes to meet the incremental requirement to the extent of ₹ 1000.00 lakh from the Net Proceeds of the Issue, *i.e.* ₹ 441.86 lakh for FY 2018-19 and ₹ 558.14 lakh for FY 2019-20. The details of working capital are as mentioned below:

Details of Estimation of Working Capital requirement are as follows:

Our business is working capital intensive. The Company will meet the requirement to the extent of ₹ 1000.00 lakh from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

Amount (₹ in lakh)

Sr. No.	Particulars	March 2018 (Audited)	2018-19 (estimated)	2019-20 (Projected)
I	Current Assets			
	Inventories	4.42	16.49	23.08
	Trade receivables	2,999.28	2,826.20	3,956.69
	Other Current Assets	1,203.24	1,289.46	1,805.24
	Total(A)	4,206.93	4,132.15	5,785.00
II	Current Liabilities			
	Trade payables	164.93	508.72	712.20
	Other Current Liabilities	342.54	602.41	843.11
	Short Term Provisions	184.35	430.29	602.22
	Total (B)	691.81	1,541.42	2,157.53
III	Total Working Capital Gap (A-B)	3,515.12	2,590.73	3,627.48

IV	Funding Pattern			
	Short term borrowing & Internal Accruals		2,148.87	3,069.34
	IPO Proceeds		441.86	558.14

Justification:

Sr. No.	Particulars
Trade receivables	We expect Debtors Holding days to be at appx. 120 Days for Fiscal 2018-19 based on increased Revenue from operation and better credit terms being given to our clients for increase in business.
Trade payables	We expect Creditors payments days to be 30-45 days due to increase in credit period

2. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ 26.00 lakh towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Public Issue Expenses:-

The total expenses of the Issue are estimated to be approximately ₹ 95.00 lakh. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including underwriting and selling commissions, brokerages, Legal Advisors, Registrars, etc and other out of pocket expenses.	87,00,000	91.58	7.76
Printing and Stationery and postage expenses	3,00,000	3.16	0.27
Regulatory and other expenses including Listing Fee	5,00,000	5.26	0.45
Total Estimated Issue Expenses	95,00,000	100.00	8.47

Proposed Schedule of Implementation:

The entire amount of Working capital and General Corporate Purposes will be utilized during FY 2018-2019 and FY 2019-20.

Deployment of Funds in the Project

Our Company has incurred the following expenditure on the project till August 31, 2018. The same has been certified by our statutory auditors G.R. Shetty & Co, Chartered Accountants *vide* their certificate dated August 31, 2018

Particulars	Amount (₹ in lakh)
Issue Expenses	6,10,000
Total	6,10,000

The above funds were deployed from the Company's internal accruals. The amount deployed so far toward Issue Expenses shall be recouped out of the Gross Issue Proceeds.

Details of balance fund deployment

(₹ in lakh)

Sr. No	Particulars	Expenses incurred from Internal Accrual till August 31, 2018	Total
1	Working Capital requirement	-	1000.00
2	General Corporate Purposes	-	26.00
3	Public Issue Expenses	6.10	95.00
	Total	6.10	1121.00

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Draft Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 Crores. Our Board will monitor the utilisation of Net Proceeds through its Audit Committee. Please refer '*Risk Factors - Our Company's management will have flexibility in utilizing the Net Proceeds*'.

There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee on page 107.

Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.



KHFM Hospitality and Facility Management Services Limited

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

BASIC TERMS OF ISSUE

Authority for the Present Issue

Fresh Issue

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated August 24, 2018 and by the shareholders pursuant to a special resolution passed in the Extra Ordinary General Meeting held on August 25, 2018 under section 62 (1) (c) of the Companies Act, 2013.

Terms of the Issue

The Equity Shares, being issued, shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, SCRA, SCRR, the Memorandum and Articles of Association, the terms and conditions of this Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the guidelines for listing of securities issued by the Government of India and the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Face Value	Equity Share shall have the face value of ₹10.00 each.
Issue Price	Equity Share is being issued at a price of ₹ 38/- per share and is 3.8 times of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 3,000 minimum allotment of 3,000 Equity Shares to the successful Applicant.
Terms of Payment	100% of the issue price of ₹ 38/- per share shall be payable on Application. For more details please refer “ <i>Terms of the Issue</i> ” beginning to page 19898 of this Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares being issued pursuant to this issued shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of the Articles of Association</i> ” on page 249 of this Draft Prospectus.

Minimum Subscription

In accordance with Regulation 106P(1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P(1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvement of Underwriter within 60 (Sixty) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the Companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation 106R of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled “*Terms of the Issue*” beginning on page 198 of this Draft Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled "Risk Factors" and "Financial Information" on pages 16 and 120, respectively, to get a more informed view before making the investment decision.

Qualitative Factors

Information presented in this section is derived from our Company's restated financial statements for the financial year ended 2016, 2017 and 2018 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows.

Quantitative Factors (Based on Standalone Financial Statements)

1. Basic & Diluted Earnings Per Share (EPS), as adjusted:

Period	Basic and Diluted EPS # (₹)	Weights
FY 2018	3.29	3
FY 2017	2.68	2
FY 2016	2.89	1
Weighted Average	3.02	6

Notes:

- (a) The figures disclosed above are based on the restated financial statements of the Company.
 (b) The face value of each Equity Share is ₹ 10.00.
 (c) Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
 (d) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 38/-

Sr. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2017-18	11.55
2	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2017-18	12.58

Industry P/E: There are no industry data for P/E available for our Industry; hence no disclosure of Industry P/E is possible.

3. Return on Net Worth

Period	Return on Networth (%)	Weights
FY 2018	12.11%	3
FY 2017	11.22%	2
FY 2016	13.62%	1
Weighted Average	12.07%	

*Restated Profit after tax/Net Worth

4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS

- (a) Based on Basic and Diluted EPS, as adjusted of FY 2017-18 of ₹ 3.29 at the Issue Price of ₹ 38.00:

- 10.79% on the restated financial statements.

KHFM Hospitality and Facility Management Services Limited

(b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 3.02 at the Issue Price of ₹ 38.00:

- 9.91% on the restated financial statements.

5. Net Asset Value per Equity Share

Particulars	Amount (₹ in lakh)
Net Asset Value per Equity Share as of March 31, 2018 (adjusted for bonus issue)	27.20
Net Asset Value per Equity Share as of March 31, 2017	239.04
Net Asset Value per Equity Share as of March 31, 2016	212.22
Net Asset Value per Equity Share after the Issue	30.48
Issue Price per equity share	38.00

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Total no of shares taken to calculate the NAV is after taking into consideration Bonus.

6. Peer Competitors - Comparison of Accounting Ratios

Particulars	Face Value (₹)	EPS (₹)	P/E Ratio	RONW (%)	NAV (per share)
Kaarya Facilities & Services Limited*	10	1.72	18.66 [#]	8.45%	20.37
Rithwik Facility Management Services Limited *	10	2.04	21.42 ^{##}	5.54%	3.69
KHFM Hospitality and Facility Management Services Limited**	10	3.29	11.55	12.11%	27.20

* Based on March 31, 2018 financial statements.

Source BSE, based on closing price on August 31, 2018

Source BSE, based on closing price on September 04, 2018

**Based on March 31, 2018 restated financial statements.

7. The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price of ₹38.00 is 3.8 times of the face value.
8. The Issue Price of ₹ 38.00 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “Risk Factors”, and chapters titled “Our Business” and “Financial Information” beginning on page 16, 84 and 120, respectively of this Draft Prospectus.



KHFM Hospitality and Facility Management Services Limited

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
KHFM Hospitality and Facility Management Service Limited
01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East),
Mumbai 400 059, Maharashtra, India

Dear Sir,

Sub: Statement of Possible Tax Benefits ('The Statement') available to KHFM Hospitality and Facility Management Service Limited ("The Company") and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ("The Regulation")

We hereby report that the enclosed annexure prepared by the Management of the Company, states the possible special Tax benefits available to KHFM Hospitality and Facility Management Service Limited ("the Company") and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), as applicable to assessment year 2019-20 relevant to financial year 2018-19 as applicable for inclusion in the Draft Prospectus as well as Final Prospectus ("Offer Documents") for the proposed issue of shares.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Issue") by the Company.

We do not express any opinion or provide any assurance as to whether:

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future;
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For G.R. Shetty & Co.
Chartered Accountants
FRN: 110093W

CA G.R. Shetty
(Proprietor)
Membership No. 040599

Place: Mumbai

Date: August 10, 2018

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. Special tax benefits to the company

There are no special tax benefits to the company.

B. Special tax benefit to the shareholder

There are no special tax benefits to the shareholders of the company.

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

**For G.R. Shetty & Co.
Chartered Accountants
FRN: 110093W**

**CA G.R. Shetty
(Proprietor)
Membership No. 040599**

Place: Mumbai
Date: August 10, 2018

SECTION IV- ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Indian Economy - Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India’s GDP is estimated to have increased 6.6% in 2017-18 and is expected to grow 7.3% in 2018-19.

Source: <https://www.ibef.org/economy/indian-economy-overview>

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.

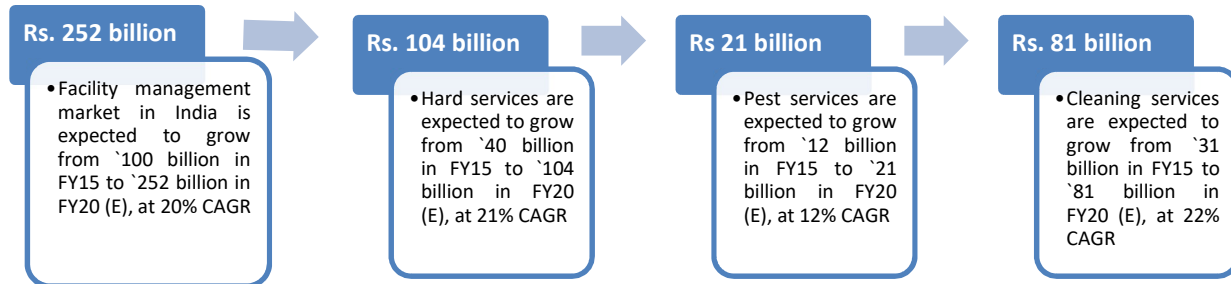
The Services are broken up into a few broad categories –

Soft Services: Housekeeping, Horticulture, Pantry/office services, Pest control, Club house Management, Guest Relations, Help Desk

Hard Services: Mechanical, Electrical, Plumbing, Energy Management & Consulting, helpdesk, Information Technology & Support

Security & Safety: Visitor Management, Fire Safety & Systems, Emergency/Quick Response, Guarding, Access Control Systems

Accounting & Billing: Financial Controls, Billing, Forecasting, Lease & Occupant Coordination Challenges



Few of the major players operating in India facility management market include CBRE Group, Inc., Jones Lang LaSalle Incorporated (JLL), SIS Group Enterprises, Quess Corp Ltd., Cushman & Wakefield, Colliers International Group Inc., Knight Frank India Pvt Ltd, Sodexo, EFS Facilities Services, and UPDATER SERVICES (P) LTD.

Multiple drivers of Growth:

The growth of the global market for facility services is supported by a range of key demand drivers such as – although varying by market:

Underlying economic development: Within a particular market, the demand for facility services generally correlates with economic conditions, including growth in that country’s gross domestic product. However, the facility services industry is normally considered to be less sensitive to economic cycles than a number of other industries as there is a basic demand among customers for cleaning and other facility services in order to maintain their facilities and operate their businesses. In addition to being more resilient in economic downturns, economic trends tend to affect facility services providers later in a macroeconomic cycle.

Development of SEZs and mega food parks: The development of SEZs and mega food parks has created an opportunity for facility management services. SEZ or special economic zones provide tax and other benefits to companies. Similarly, the development of mega food parks aims at bringing together all the stakeholders in the agriculture industry such as farmers, retailers, and food processors. This will create opportunities for vendors of facility management services.

Increased outsourcing: The growth of the facility services market is supported by a general trend towards outsourcing of facility service functions as customer verticals are choosing, at varying rates, to focus on their core activities, and consequently outsourcing rates increase. Drivers of the decision for the customer to outsource include a lack of in-house resources and expertise or a desire to provide convenience, improve service quality and efficiency, reduce costs and manage risks.

Service integration: The market is gradually shifting as organizations are opting for integrated facility services approach to outsourcing and consequently integrated facility services market will continue to outgrow the facility services market. Integrated facility services are defined as the provision of multiple facility services managed on-site by the provider through a single point of contact. Although a relatively new concept in many markets, integrated facility services is gaining an increasingly larger share of the greater facility services market. As integrated facility services is a relatively new trend, its penetration rate remains low and projected revenue growth rates are higher than the growth rate of the general facility services market.

The main reason for choosing integrated facility services as delivery type is the single point of contact, related convenience and the cost efficiencies and financial certainty for the customer.

Nationalization and internationalization of contract procurement: Procurement decisions are moving from local to national to international. Procurement of international contracts is still relatively rare within the facility services market. Despite this, large multi-national companies with a global presence are increasingly centralizing procurement and operations of facility services to drive out synergies, ensure procurement of uniform services and a consistency in delivery.

This trend is leading to an increasing demand that only a few facility services providers are able to capitalize on due to the local or to some extent regional limitations of most providers. In addition, multi-national customers are even more inclined to move into an integrated facility services delivery than the overall market.

Facility services providers that have the ability to leverage their scope and scale will increasingly be able to differentiate themselves from local providers with basic services.

Demand for value added: 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.

Source: <https://www.techsciresearch.com/report/india-facility-management-market/1383.html>;
<https://www.businesswire.com/news/home/20180529005935/en/Facility-Management-Services-Market-India-Post-CAGR>;
<http://sisindia.com/wp-content/uploads/2018/06/Annual-Report-2017-18.pdf>;
Industry Trend by ISS world

Security Services Growth and Market Potential:

The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The Indian industry is still nascent and is likely to see exponential growth both in terms of manpower employed and market share due to rapid infrastructural and economic development, leading to an increased need for prevention, detection and protection of assets and citizens against criminal acts such as fraud, terrorism, theft, drug-related offences and violent crimes. Yet another factor adding to the demand is the increase in individuals joining the billionaire league and seeking private protection at all times.

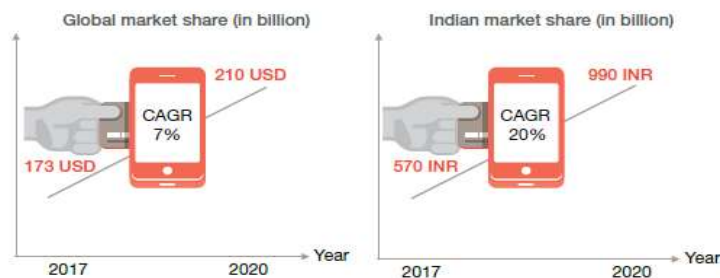
The private security industry is one of the largest employers in India, it is continuously growing. The private security industry is amongst the largest employers in India, employing almost 8.5 million people and has the potential to employ 3 million more people by 2020. Manned guarding continues to be the service line with maximum employment and is also the highest revenue generator for the private security industry, contributing to 80 per cent of the revenue, followed by cash services. With a high level of advancements in technology, services like electronic security services, integrated facility management and security architecture and engineering will see greater prominence in the time to

come. This not only has the potential to improve the quality of services offered by security companies but may also prove to be a boon for the large workforce who will have the opportunity to up-skill themselves and progress to engaging employment conditions. With the passage of time, security companies have evolved from servicing only homes and businesses and are now focusing on servicing the government.

The demand for security services is fuelled by an increasing rate of urbanization, improving foreign investment activity and growing middle class owning assets they wish to protect. Fear of terrorism and crime has also fuelled this demand.

It is expected that security industry segment will rapidly grow in the developing parts of Asia, Eastern Europe, Africa and the Middle East, where security markets are relatively underdeveloped. In fact, several markets including China, India, Mexico, Russia and South Africa are expected to achieve double digit annual growth through the year 2016.

Industry Size & Growth:



With the growth of Indian economy over the last two decades, the need for security arrangements has grown manifold. There has been significant investment in large scale infrastructure projects, industrial set ups and in various urban landscape developments such as industrial complexes, offices, IT parks. Development has also been witnessed in public infrastructures such as airports, metro stations, shopping malls and other public utilities which have created a direct demand for private security services.

Government policies are changing the game quickly with important decisions being taken to overcome challenges such as revision in foreign direct investment (FDI) rates, re-categorization of security workers and modification in the minimum wages. However, the industry stakeholders are still of the view that more changes at the policy level and improved enforcement could help private security grow further and make the sector more viable for investments. Some key suggestions are creating a grading framework for private security players in the market and having a single window license process.

Some of the major firms in the industry in India are Peregrine, Securitas, G4S, Security and Intelligence Services India (SIS) and Tops. All these five companies collectively generate revenue of INR 2212.68 crores.* Moreover, SIS, Securitas and Peregrine have registered the highest growth of more than 30 percent in the last five years.

The security providers in India have a pan India presence. However, they are more prominently present in tier I and tier II cities. With increase in the development of tier III cities, there is a significant demand for private security services in India, primarily in the tier II and III cities.

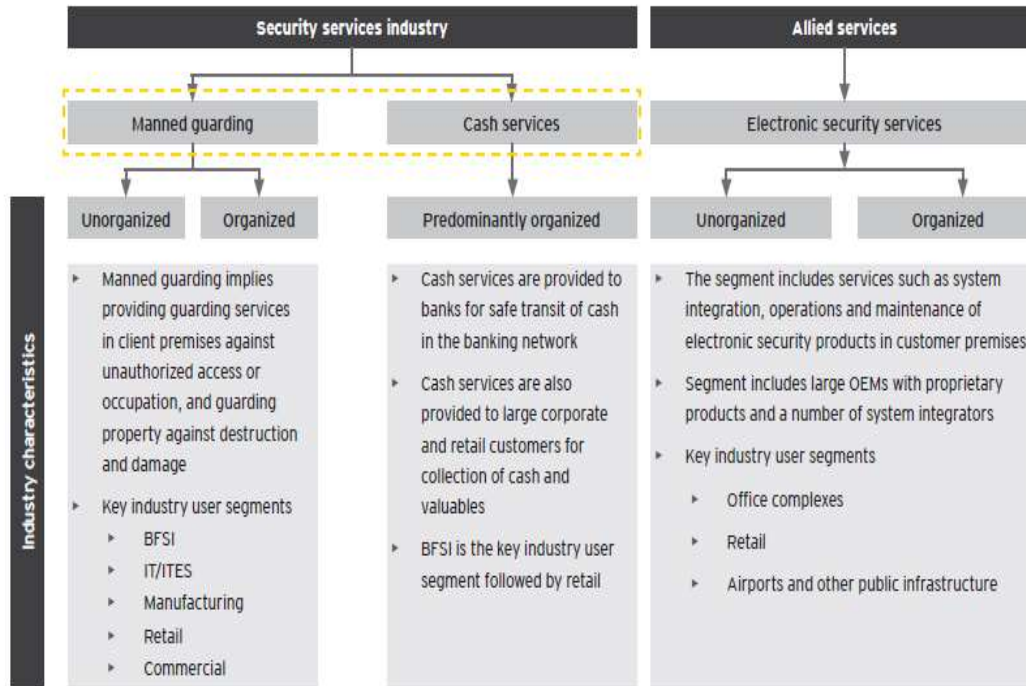
The Indian integrated security industry has been broadly classified into:

Manned guarding is the largest segment in the security space and is a human resource intensive segment. It provides security for premises and individuals. Activities under the umbrella of manned guarding include surveillance and protection of real estate properties including industrial, commercial and infrastructure facilities, security checks, crowd (event) management among others

Cash services are a growing segment considering the stringent requirements of safety of money from the principal employers. The activities under this umbrella include provision of secured logistics for cash and other valuables from

banks and other corporate entities. While there are specialized cash services players, this segment is primarily dominated by the organized players which also manned guarding services

Electronic security services have vast scope for growth, though currently they are significantly small in comparison to manned guarding. They are primarily catered by large international OEMs and building solutions provider. Security service companies provide electronic security services and are also involved in installation, monitoring and maintenance



Importance of security industry:

The private security industry is a crucial component of security and safety in the world. Today, private security is responsible not only for protecting the nation's property and critical infrastructure systems, but also for protecting intellectual property and sensitive information. In the present scenario, many countries rely on the private security services for a wide range of functions including protecting employees and property, conducting investigations, performing background verification, providing information technology security and many other functions. These services are used in a wide range of markets, from commercial to resident. Some companies hire their own security personnel, whereas others contract with security firms for these services or use a mix of services-both proprietary and contract staff.

Key factors favoring demand for private security services in India:

a. Low police to people ratio (number of policemen for every one lakh people)

- This ratio is low in comparison to the ratio as recommended by the United Nations. UN recommends a minimum number of 222 policemen for every one lakh people. To cater to the shortage of government security personnel in the form of policemen, there has been a rise in the demand for private security services
- India's police to people ratio is not very favourable. Hence, it has directly created a demand for an alternative source of security service. The current police to people ratio in India is 131, which means there are only 131 policemen for every one lakh people
- Also the police to people ratio at present is even below the ideal number of 176 policemen for every one lakh people, as instructed by the Bureau of Police Research and Development under the Ministry of Home Affairs

b. High global terrorism index (direct and indirect impact of terrorist activities)

- The increase in terrorist activities in India has raised alarms for correspondingly increasing the security services in India. India ranks sixth out of the 162 countries in terms of terrorism. The score of India is 7.86 out of 10 in terms of terrorism
- The total number of incidents occurred in the year 2014 were 1545, the bifurcation being 624 of terrorist activities, 404 number of killings, 619 injury incidents and 158 property damages
- People have started feeling unsafe and insecure due to the increase in the number of terrorist activities around the country

c. Increase in crime rate

- Increase in crime rate in India is also one of the factors that has led to a rise in demand for private security services. There has been increase in the number of crime incidents that have occurred in the last few years
- The total number of complaints received by police and cases registered under IPC and SLL were around 66.40 lakh in the year 2013 as compared to 60.41 lakh cases in the year 2012

d. Increase in the number of public events

- In India, the number of instances of public events have also witnessed a significant growth, creating a direct need for the private security services in the form of crowd management and security
- Sports events such as Indian Premier League, Hockey India League, Badminton League attract huge crowd and eventually create a direct demand for increased security
- The country has also witnessed increase in the number of entertainment related events which are again substantial crowd puller events. These events are inevitable to manage without the involvement of private security agencies

e. Drivers for cash services

- Increase in cash services has also led to direct need for private security services in the country. The increase in the number of ATMs across the nation has led to a direct increase in demand for private security services. The number of ATMs in India has increased from 95,686 in the year 2012 to 158,891 in the year 2014
- Along with the increase in ATMs, there has been a corresponding increase in the number of debit and credit card transactions which has forced the banks to increase their security services. The number of ATM transactions in the year 2012 were 47.12 crore, which increased to 57.18 crores in the year 2014
- There has also been an increase in the amount of transactions over these ATMs triggering the need for better and increased security services. The amount of transactions done over the ATMs across the country in the year 2014 were 179,776 crore as compared to 131,838 crore in the year 2012
- Moreover, the numbers of banks and bank branches have also increased in the last decade, creating demand for manned guarding and CCTV surveillance. In India, the number of branches of scheduled commercial banks have increased from a level of 68,681 bank branches in 2006 to 102,343 bank branches in 2013

f. Increasing crime against women

- The increases in crime rates against women have also increased the demand for security services in the country. The total number of crime incidents reported against women were around 309,000 in the year 2013
- The rate of cognizable offences per every one lakh women has increased from a level of 41.74 in the year 2012 to 52.25 in the year 2013
- The increase in number of incidents against women has raised questions about the security of the women in the country and has therefore triggered the rise in the demand for private security services

g. Infrastructure related crimes

- There has been an increase in infrastructure related crimes across the nation
- The value of property stolen has increased from 1,735 crore in the year 2003 to 13,219 crore in the year 2013,

an increase of almost 7.6 times

h. Growing urbanisation (number of policemen for every one lakh people)

- Construction is the second largest economic activity in India after agriculture, and has been growing rapidly
- Construction services require a lot of security services primarily manned guarding
- Increase in townships, housing, built-up infrastructure and construction development projects
- The number of hotels, malls, hospitals, religious places and other public places have shown an increase in the last few years, and a lot of private security services are required to cater to the security of these places

i. India, the land of pilgrimages (direct and indirect impact of terrorist activities)

- India has a lot of holy places where people go for pilgrimage and security of these places is a concern
- The increasing number of footfall at religious places has led to the increase for demand of private security services
- Also, the country has witnessed an increase in number of religious riots in the last few years.
- The number of foreign tourists arrivals in India in 2013 were 69.7 lakh, as compared to 65.77 lakh in the previous year 2012

j. Government initiatives

- Compulsory security in schools
 - The Ministry of Home Affairs has issued compulsory security guidelines
 - Each school gate should be manned by at least 3 security guards on a 24 hour basis
 - Installation of CCTV systems all along the boundary as well as some additional locations inside the premises
 - Currently, there are around 15 lakh education institutions in India. So, there is a huge scope for the growth of private security services
- Increased emphasis on women security
 - Government has laid emphasis on women security to eliminate the crime against women
 - Some of the states are planning to set up Mahila Suraksha Dal or Women Security Force. The other states may want to replicate it
 - There are also plans of having 5000 bus marshals to prevent and deter crime in public transport
 - The Delhi Government is also planning to install CCTVs in public spaces and buses
 - This will lead to increase in demand for private security services in India

k. Future opportunities -Government initiatives like Smart Cities and Make in India

- With the introduction of Smart Cities initiative by Government of India, around 100 smart cities are envisaged by the government with a total public investment of around INR 48,000 crore. Public safety and security shall be paramount for city administrations. This would include protection against crime, natural disasters, accidents or terrorism. The concept of smart cities imbibes the four principles of planning viz. physical infrastructure, social infrastructure, institutional infrastructure and economic infrastructure. Institutional infrastructure has laid down security as one of its important pillars
- Also with 'Make in India', the growth of industrial sector is inevitable. Hence, the opportunity for private security services in these Greenfield as well as Brownfield projects is significant
- The newly built smart grids and related infrastructure shall need protection from attacks that could cause severe stoppages to cities, public communities, industrial sites and essential services

l. Increased concern for personal safety

- With the increase in the high income level category, there has been a direct growth in the need for private security services
- More people have started feeling the need of increased escort services and personal guards
- Home guarding has also witnessed a significant growth in the last few years

- Increased urbanisation and job opportunities for women have also resulted in increased opportunity for escort services that include trained security personnel

m. Potential for increase in security advisory services

- There is a potential for the Indian security industry to enter into security advisory services which shall include travel and event security, risk management and crisis management services

n. Low cost of services

- The cost of services for private security services has been low due to the following factors
- Increased corporatization
- Increased awareness for private security services
- Increased globalization
- Adherence to standard operating procedure by global companies

Sources:

<http://ficci.in/spdocument/20329/Private-security-services-industry-Securing-future-growth1.pdf>

<http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>

<http://www.grantthornton.in/globalassets/1.-member>

firms/india/assets/pdfs/private_security_services_industry_in_india.pdf

OUR BUSINESS

Overview

Our Company, KHFM Hospitality and Facility Management Services Limited (“KHFM”) was incorporated in the year 2006. 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, 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.

Our service offerings include the following broad services which are offered by our Company as indicated below:



Facility Management



Hospitality Services & Catering



Horticulture & Gardening



Security Service

As on June 30, 2018 we were catering to over 71 clients through over contracts executed with such clients for providing various IHFM services to them. Our clients span various industries including education sector, Municipal Corporations, Railway Stations, Amusement and Water Parks, Banks, Airport, Government Guest-houses, among others.

Our Company is promoted by Mr. Ravindra Hegde and Ms. Sujata Hedge, who have over 3 decades of experience in service industry. Mr. Ravindra Hedge, the main Promoter of our Company, has been instrumental in our growth. Our senior management comprises individuals, including national heads who lead the different verticals within our IHFM solutions offerings, with significant experience in the IHFM services industry and who have been associated with our Company on an average for 10 years.

Initially, we began with the most basic of services such as cleaning, hospitality and over the period we added layers to the teams' skill sets to successfully bid for high skilled contracts such as mechanized housekeeping, landscaping & gardening, guesthouse management, pest control, and security service & more. The management and executive team understood the constantly evolving needs of the industry and invested in continuously skilling their team to take up new responsibilities.

Headquartered in Mumbai, we have a pan-India presence across 10 states covering 21 cities through a network of site offices. As of June 30, 2018, we employed appx 2,505 employees, including over 2130 employees hired by our Company ("**Core Employees**") and over 310 employees hired on contract basis ("**Associate Employees**"). Optimum combination of human resource pool backed by integrity, KHFM provides a comprehensive array of Hospitality and Facilities Management to endow our clients with an unmatched feeling of cleanliness and hygiene for a healthy Life. Keeping in trend with time and technology, we proactively design and implement training modules, to reinforce our client's trust in us. Over the last decade, our strength has grown in numbers as well as widening our spectrum of Hospitality and Facilities Management to an extent where KHFM has become an Integrated Facility Management Solution Provider.

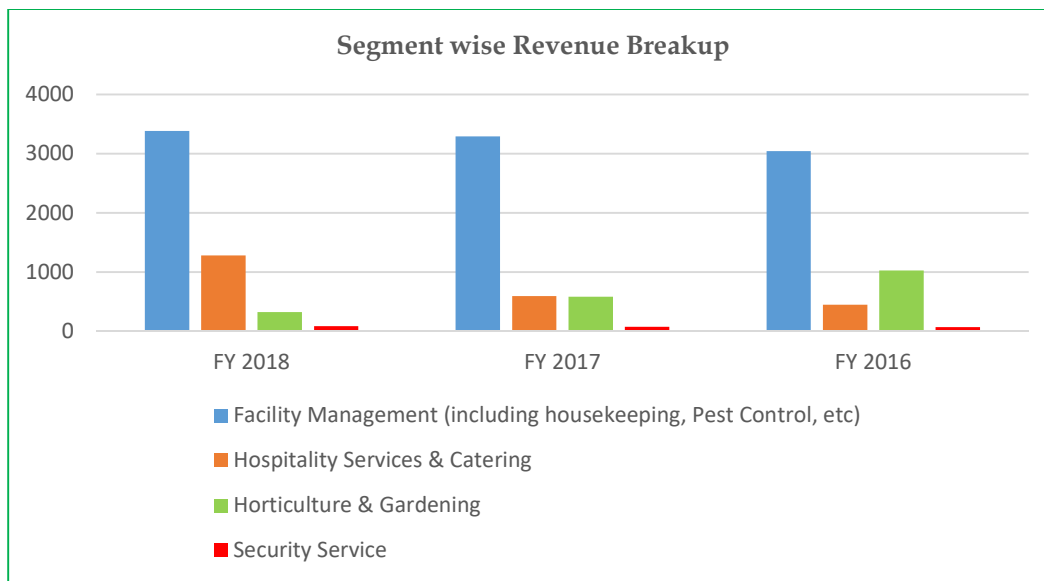
We have built in-house training and development programs for our employees. Our in-house training team and modules along with our partnerships with consultants is focused on continuous training needs identification and delivery. Our training covers on-site rules and regulations, processes; soft skills, hard skills across housekeeping, Hospitality Management Services, Horticulture and gardening and Security Services.

With a proven track record and the demand from existing and new clients, we are in a phase of natural progression and expansion phase in PAN India.

We operate on an asset-light model with low capital expenditure requirement and high working capital requirements. Currently majority of our revenues is from deployment of personnel for soft services comprising of housekeeping services, Facility Management and Hospitality Services, Guest House Management & Catering. We are increasingly being perceived as Facility Hospitality Management partners by our clients, thus gradually also developing into supplier so fall aspects of facility maintenance and operations services including technical services & other hard services such as pest control, security service, horticulture & gardening and more.

Financial Snapshot

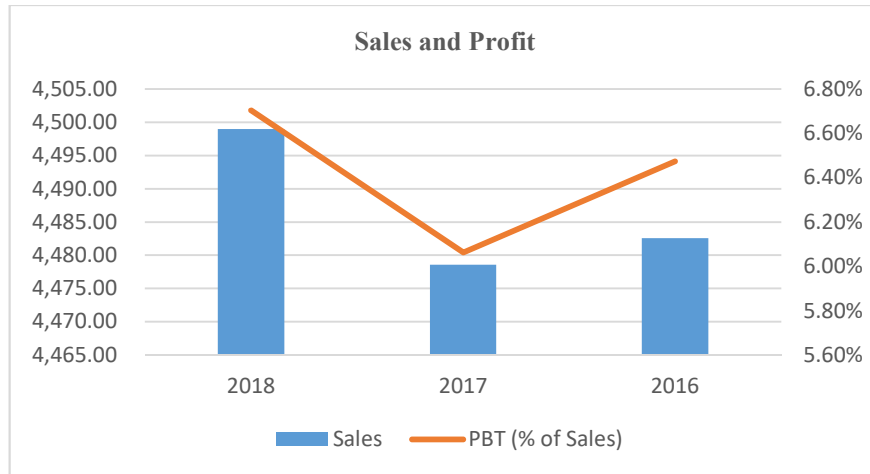
Segmental break-up of Revenue from Operation



(₹ in lakh)

Service Type	FY 2018	FY 2017	FY 2016
Facility Management (including housekeeping, Pest Control, etc)	3383.84	3290.88	3041.41
Hospitality Services & Catering	1280.41	590.10	448.14
Horticulture & Gardening	320.94	581.05	1026.00
Security Service	83.92	71.35	69.56

Revenue and Profitability Graph of our Company as per our Restated Financial Statements is as under:



Our Services

The list of services offered are as detailed below:

Facility Management – Appx 30 lac sqft of total area covered

- Mechanized house-keeping - We provide Mechanised House Keeping Service by using Modern Machineries like, ride on Scrubber Drier, Ride on Sweeping Machine, Auto Scrubber Drier, Single Disc Scrubbing Machines, High Pressure water Jet Machine, Wet & Dry Vacuum Cleaner, Steam Clearing Machines Carpet Shampooing Machine etc to Public Sector undertakings, Corporate, Govt. Offices etc.
- Pest Control Services - We provide Integrated Pest Control Services such as:
 - 1) Termite Control
 - 2) General Disinfestation treatment
 - 3) Rodent Control
 - 4) Wood Borer Treatment
 - 5) Mosquito Control Treatment to large Municipal Corporation
 - 6) Weed Control Treatment
 - 7) Pre & post construction treatment

We are member of Indian Pest Control Association (IPCA) and use latest & safe chemicals for all the treatment.

- Solid Waste Management - Municipal solid waste is collected, segregated and transferred to the designated places for treating by bio composting methods
- Miscellaneous Others - Electric Maintenance, Plumbing, Swimming pool attendant, Lift Attendant, Pump operator, Fire Fighting, etc

Hospitality Services & Catering

- Hospitality and Guest House Management: includes Room Service, Guest house Management, Front desk Management, Lobby Management, Laundry and Other maintenance services
- Catering Management – includes Food and beverage management. At present, the company is catering to 1050 on daily basis.

- ✚ **Horticulture & Gardening** - We have developed and are maintaining appx 12 lakh sq.ft on daily basis.
 - Lawns Development: Different types like Bermuda Grass Lawn, Pospalam, Carpet Lawn (Kolean).
 - Seasonal Flower Beds: Maintain seasonal flower beds according to different seasons & locations.
 - Creepers & Ground Coversm: Different types of creepers & ground covers as per site conditions & client’s specifications.
 - Green Landscaping: Undertake Landscape designing and execution on turnkey basis Prepare schedules, tender, measurements and supervision of work for, Star class Hotels and Resorts, Industrial and Corporate Landscapes and Exquisite cascades and fountains.
 - Others: Rock Garden, Hardscape, Softscape, water Fountain, Tree Plantation, etc
- ✚ **Security Services** – The Company has received License to run the business of Private Security Agency bearing registration no. MAH/2017/717, granted by Office of Joint Commissioner of Police, & Controlling Authority, Mumbai in 2017. As the vertical is into expansion mode appx 36 person are engaged in providing services under this vertical. It includes Manned Guarding, Escort Guarding and Event Management.

LOCATION

We operate from the following premises:

Type of Facility	Location
Registered Office	01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai 400059, Maharashtra, India

OUR COMPETITIVE STRENGTHS

1. Experience team of professionals with domain expertise

Our Company is managed by a team of competent personnel having knowledge of core aspects of our business. Our promoter’ viz. Mr. Ravindra Malinga Hegde is a Science Graduate from Mumbai University has attended training in Facility Management & Pest Management from USA and has also attended training from Indian Grain Institute, Hapur in Pest Entomology. He is a member of Indian Pest Control Association and Member of ISSA. He is having more than 33 years of experience in this field. He has also been awarded with Shri. Rajiv Gandhi Shiromani award on August 22, 2010 for Entrepreneurial Achievement.

Our Promoters are well assisted by our Key Managerial Personnel who have helped us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

2. Our experience and track record

With over 12 years of experience, our Company is uniquely positioned and successfully evolved and earned an enviable reputation with their consistent quality deliverance; *client retention of 70% for last 2 year*. We are an ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified company (recertification’s due on March 2019).We are a recognized brand name in the hospitality and facilities management space. Our experience, among other factors, enables us to get new tenders, projects and business.

3. Technology

We have comprehensive back-office processes for operational excellence. Further, we always try to keep up with the latest building technology, due to the huge number of technological advances every few years. This helps us in decreasing costs and improves tenant comfort and staff productivity.



KHFM Hospitality and Facility Management Services Limited

4. **Diverse Portfolio of services offered**

Our diversified portfolio of services comprises of Our Company has a comprehensive range of Facility Management, Hospitality Services & Catering, Horticulture & Gardening, Security Services which includes Mechanized House-keeping, Pest Control services, Solid waste management, Lawn Development, Green Landscaping, Guest house management, etc.

By creating a dedicated team for each sphere of services, we have ushered in professionalism in all our services. We believe that our extensive portfolio of services enables us to grow our customer relationships and scope of engagements and serve as a single point of contact for multiple services, driving high customer retention.

5. **Direct operation and widespread domestic presence**

We directly undertakes all services and have very few subcontractors thereby having ***better services control & delivery with no hidden margins.*** We offer our diversified services on PAN India level wide spread across 10 states covering 19 cities through a network of site offices with In-house resources of appx 2,600 people. The sale of our services is therefore not dependent on any particulars region or state.

OUR BUSINESS STRATEGY

1. **Growing presence in Education, Corporate Parks, Commercial Buildings, Hospitals.**

We intend to increase our presence in Education, Healthcare, Corporate & Business Parks, Hospitals and Government Organisations across PAN India by targeting high value tenders, where the no of competition is limited and profit margins are relatively better.

Further, with a strategy to emerge as a one stop solution for all building assets maintenance & operations, we will assist our clients for all services from cleaning to security, gardening to pest control, etc, for their entire day to day needs of services.

2. **Focus on increasing geographical presence**

We believe that our growth in the markets will result from growing demand for the diversified services we are offering. Our strategic initiatives for wide markets include offering of wide range of services as a complete package (one stop shop for all services from cleaning to security) which helps us to develop a broad market penetration and establish our presence in organized market.

3. **Enhancing our existing customer base and continue to develop Client & Vendor relationships**

Our present customer base comprises majorly of corporate clients. We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with their requirements of the customers.

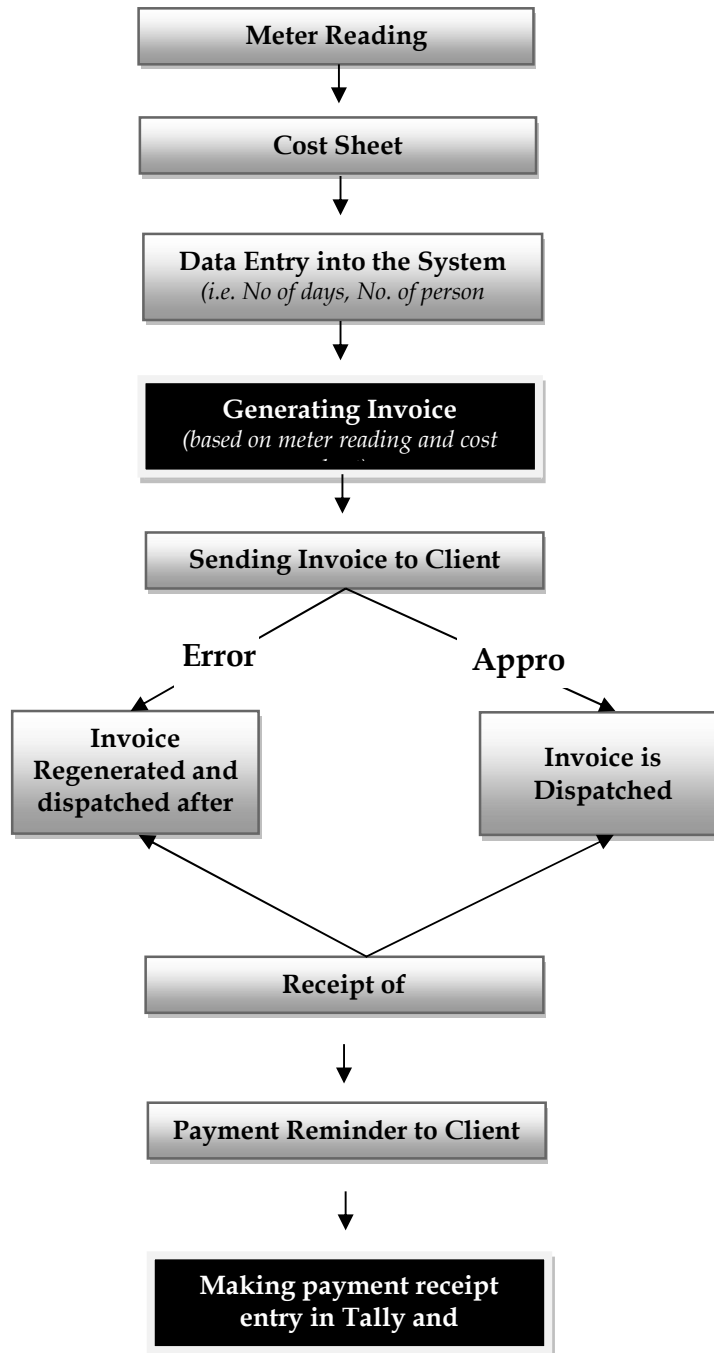
4. **To continue focus on providing Quality Services**

Our one of the significant business strategy is to continue providing high quality solutions there by maximizing customer satisfaction in all our business segments. We believe that this strategy can help strengthen our ability to engage in complex projects.

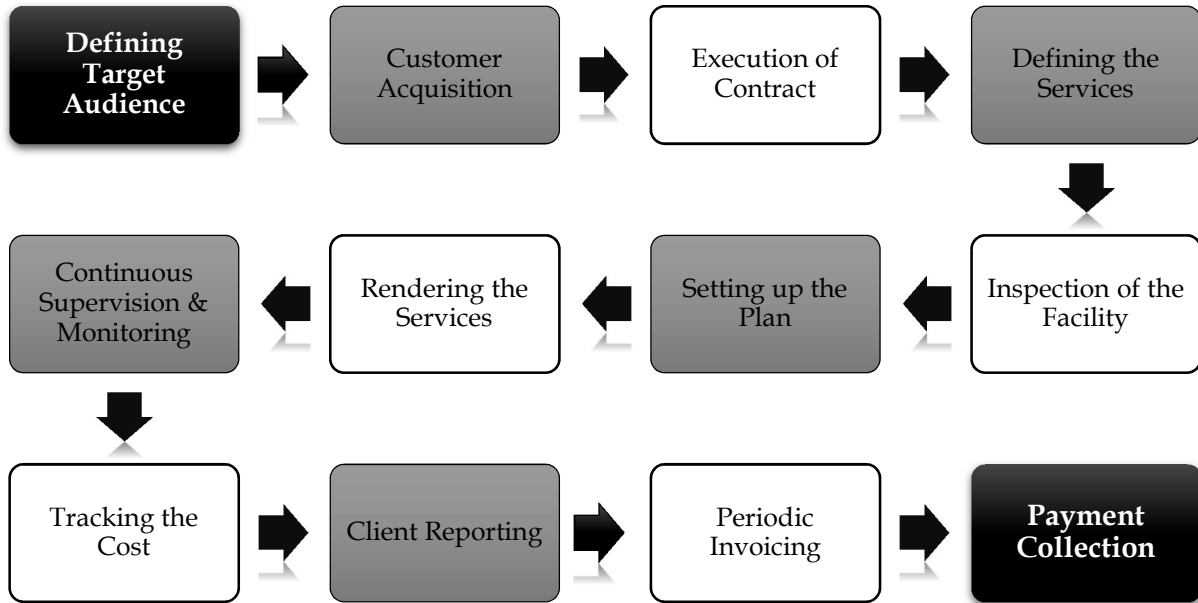
TECHNOLOGY & PROCESS

We have a Robust and comprehensive on-site and back-office processes for operational excellence.

Billing & Collections Flow Diagram



Facility Management Process



Plant and Machineries

We own major Machineries required for Mechanized House Keeping and Gardening Services along with latest tools and equipments.

Collaborations

We have not entered into any technical or other collaboration. However, we have tie ups with other third service providers for the services. All these tie ups are in normal course of business. We are also member of ISSA & IPCA and get latest technology information through them.

Infrastructure Facilities

Talent Acquisition/Manpower

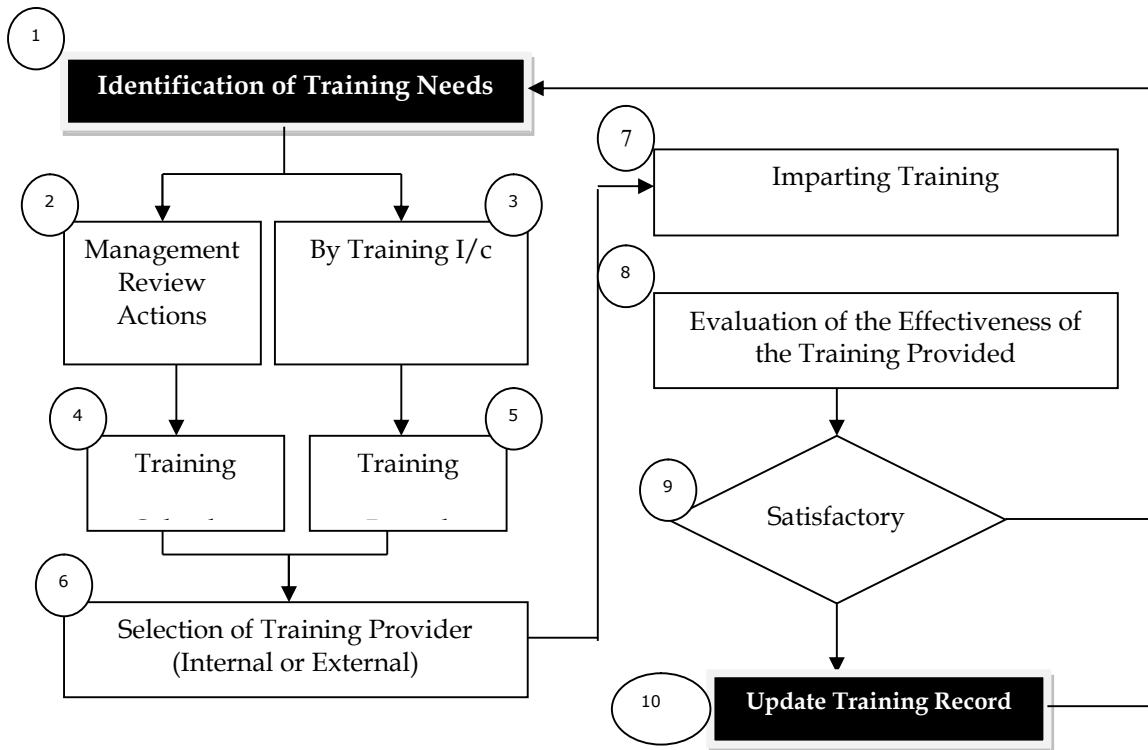
We use multipronged approach to recruitment–internal recruitment team, employee referrals, print ads, recruitment partners etc. We also do Systematic on-boarding and background verifications.

Raw Material

We do not require any major raw material. We require our regular maintenance supplies which we procure locally on monthly requirement basis.

Training

We have In-house training team and modules for continuous training needs identification and delivery. Our training covers On-Site rules and regulations, Processes; Soft skills, Hard Skills across housekeeping, maintenance, customer services, back office, etc



Utilities

Power

Our operations are not power intensive.

Human Resource

As on date; Company has total of 2,505 employees other than our Directors. The detailed break-up of our employees is as under:

Details	Total
Employees hired by Company	2130
Contractual Employees	310
Total	2505

Past Production Figures Industry-wise

The industry is highly fragmented and is dominated by large number of players. For details of the industry data please refer to section titles “*Industry Overview*” beginning on page 76.

Competition

We are an integrated Hospitality and Facilities Management company. We are offering our expertise to corporate, MNCs, Government institutions such as railways, municipal corporations, Public Sector Undertakings and Residential Segments. Our industry is large and fragmented, comprised of many firms. We compete with various big companies and also with regional or specialized companies. It is a highly competitive industry, reflecting several trends in the global marketplace such as the notably increasing demand for skilled people, employers’ desire for more flexible working models and consolidation among clients and in the employment services industry itself.

Approach to Marketing and Marketing Set-up

Our Company adopts direct marketing approach. Our senior Management helps in procuring contracts. Our Marketing is under the control of our Managing Director and is supported by his subordinates considering the importance and sensitive nature of the Department. The company majorly undertakes tender-based contracts which account for about 80% of the total sales and has a success rate of 10%-15% to get a Tender-based contract. The balance 20% of the total sales comes from direct customers.

To procure contracts from Private Clients, our Company on continuous basis collect market information and makes presentation to Consultants. Our Company’s past track record and its association with Architects/Consultants during the period of its existence also helps us to get contracts. We also intend to invest in advertising and marketing as an approach to get new business.

Future Prospects

As mentioned, Company grabs 80% of its business from tenders, therefore, the company will focus on tender-based contracts as a part of its growth strategy for future. The default beneficiaries of the urban infrastructure and real estate boom in commercial segment, organized retail are the companies engaged in facility management activities. We intend to expand geographically by leveraging our existing strengths. Our Company is confident of maintaining the pace of its growth as it operates in diverse areas.

Capacity and Capacity Utilization

Our Company is operating into facility management industry, which can be termed as a service sector. The nature of our industry prohibits it from reasonably ascertain in installed capacity and therefore capacity utilization. Hence existing installed capacities and capacity utilization for past three years and next three years are not being given.

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

Property

The following table sets forth the location and other details of the lease hold properties of our Company:

Sr. No	Address of Property	Name of Seller/Lessor	Tenure	Purpose
1	01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai 400059	Mr. Ravindra Hegde	12 months Commencing from April 01, 2018 until March 31, 2019	Registered Office

Intellectual Property

Our Company has four (4) registered trademarks under classes 35, 43, 44 and 45 registering our Company’s trademark



. These trademarks are valid till October 30, 2024.

Insurance

Our Company maintains insurance against various risks inherent in our business activities *i.e.* Standard Fire and Special Perils (Office Building, Plant & Machinery, Stock), Money Insurance, etc. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully in part or on time that we have taken out sufficient insurance to cover all our losses.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies that are applicable to our business, as prescribed by the Government of India and other regulatory bodies. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations set below may not be exhaustive, are intended only to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, please refer to section titled "Government and Other Approvals" beginning on page 181 of this Draft Red Herring Prospectus.

Except as otherwise specified in this Draft Prospectus, taxation statutes including the Income Tax Act, 1961, Central Sales Tax Act, 1956, Central Excise Act, 1944, Service Tax under the Finance Act, 1994, applicable local sales tax statutes and other miscellaneous regulations and statutes may apply to us as they do to any other Indian company. With effect from July 1, 2017, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to our Company. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Set forth below are certain significant Indian legislations and regulations which are generally adhered to by the industry that we operate in.

1. The Maharashtra Shops and Establishment Act 1948

Our Company has its registered office in the state of Maharashtra. Accordingly, the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to the Company. The provisions of the Act regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

2. The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA has been enacted to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the - Food Authority) for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Central and State governments in framing policies and rules relating to food safety and nutrition and to formulate regulations to ensure safe and wholesome food. The FSSA sets out requirements for licensing and registration of food businesses, responsibilities of the food business operator and penalties for violation of such responsibilities (including recall procedures), including penalties for sub-standard food, misbranded food and failure to comply with the directions of the authorities. The FSSA also provides for the establishment of a Food Safety Appellate Tribunal to hear appeals from the decisions of adjudicating officers. In exercise of powers under the FSSA, the Food Authority has inter alia framed the Food Safety and Standards Rules, 2011 (FSSR), which provide the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of commissioner of food safety, food safety officer and food analyst and procedures of taking extracts, seizure, sampling and analysis.

Labour Laws:

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

1. Contract Labour (Regulation and Abolition) Act, 1970;
2. Employees' Compensation Act, 1923;
3. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

4. Employees' State Insurance Act, 1948;
5. Industrial Disputes Act, 1947;
6. Industrial Employment (Standing orders) Act 1946;
Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
8. Child Labour (Prohibition and Regulation) Act, 1986;
9. Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979;
10. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
11. Maternity Benefit Act, 1961;
12. Minimum Wages Act, 1948;
13. Payment of Bonus Act, 1965;
14. Apprentices Act, 1961;
15. Payment of Gratuity Act, 1972;
16. Payment of Wages Act, 1936;
17. Equal Remuneration Act, 1976.

Intellectual Property Laws:

1. Trade Marks Act, 1999

The Indian law on trademark is enshrined in the Trade Marks Act of 1999. Under the existing Act, a trademark is a mark used in relation to goods and/or services so as to indicate a connection between the goods or services being provided and the proprietor or user of the mark. A 'Mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style, the shape of goods other than those for which a mark is proposed to be used, or any combination thereof or a combination of colours and so forth. The trademark once it is applied for is advertised in the trademarks journal, oppositions, if any, are invited and after satisfactory adjudication of the same, is given a certificate of registration. The right to use a mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fees.

Other laws:

In addition to the above, our Company is also required to, *inter alia*, comply with the provisions of the Electricity Act, 2003.



KHFH Hospitality and Facility Management Services Limited

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History and Background

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra on January 27, 2006 with the name Kalpataru's Hospitality & Facility Management Service Private Limited. The Company was promoted by Mr. Ravindra Hegde and Mrs. Sujata Hegde. Further, our Company changed its name pursuant to approval of the shareholders at an extraordinary general meeting held on July 18, 2012 and consequently, the name of our Company was changed to KHFH Hospitality and Facility Management Services Private Limited and a fresh certificate of incorporation was issued by Registrar of Companies, Mumbai, Maharashtra on August 10, 2012. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 18, 2018 and consequently, the name of our Company was changed to KHFH Hospitality and Facility Management Services Limited and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Mumbai, Maharashtra on May 30, 2018. Our Corporate Identification Number is U74930MH2006PLC159290.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed by them at the time of signing of the Memorandum of Association: Ravindra Hegde (5,000 equity share) and Sujata Hegde (5,000 equity share) aggregating to 10,000 equity shares.

Ravindra Hegde and Sujata Hegde are the existing Promoters of our Company holding 58,04,785 and 9,45,000 Equity Shares respectively aggregating to 85.997% and 14.00% respectively of the pre-issue, subscribed and paid-up equity share capital of our Company.

Change in Registered Office of the Company since Incorporation

As on the date of this Draft Prospectus, our Registered Office is located at 01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai 400059, Maharashtra, India.

Following are the details of the changes in the address of the registered office of our Company since incorporation:

Date of Change of Registered Office	Change From	Change To	Reason for Change
October 10, 2008	A 3/7 Green Field, Opp. Fatacy Land, Andheri (E), Mumbai 400093	01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai 400059	Administrative Purpose

Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business & services facility management & hospitality services, housekeeping, Pest control, garden landscape & maintenance catering & Guest House management & Labour Supply & to carry on the business and services of pest control, termite control, pre and post construction control, rodent control, mosquito control and general disinfection including the business of control, curb, check, restraint, suppressant of pests, rats, insects, termites files, fungus germs, unwanted vegetations and such various parasitic or free living worms.

The main objects clause and objects incidental or ancillary to the main objects as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	<p><u>Change in authorised share capital:</u> Clause V of the MoA was amended to reflect the Increase in authorized share capital from ₹ 5,00,000 (Five Lakh) divided into 50,000 (Fifty Thousand) Equity Shares of ₹ 10/- each to ₹ 50,00,000 (Fifty Lakh) divided into 5,00,000 (Five Lakh) Equity shares of Rs. 10/- each.</p>	20.02.2007	EGM
2.	<p><u>Change in authorised share capital:</u> Clause V of the MoA was amended to reflect the Increase in authorized share capital from ₹ 50,00,000 (Fifty Lakh) divided into 5,00,000 (Five Lakh) Equity shares of ₹ 10/- each to ₹ 75,00,000 (Seventy Five Lakh) divided into 7,50,000 (Seven Lakh Fifty) Equity shares of ₹ 10/- each.</p>	15.03.2012	EGM
3.	<p><u>Change in name of our Company:</u> Clause I of the MoA was amended to reflect the Alteration of Name Clause of the Company from Kalpataru's Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited.</p>	18.07.2012	EGM
4.	<p><u>Change in the object clause of our Company:</u> Sub Clause 22 under the Clause III-B of the MoA was replaced as set out below: <i>"To borrow or raise money from any Bank, Financial Institution or others other than public deposits and secure and discharge any such borrowing, debt, obligation or binding on the company in such manner as may be thought fit and in particular by the issue of debenture or debenture stock(perpetual or otherwise) including the debenture or debenture, stock convertible into shares of this or any other company or not and to secure the repayment of any such monies borrowed, raised, or received by mortgage, charge or lien upon all or any of the immovable and movable property, assets, or revenue of the company (both present and future) including its uncalled capital and to give the lenders power to convert the loan, borrowing or debt into Equity of the Company as per the terms and conditions agreed upon by the company and lender, and such other powers, as may seem expedient, subject to provisions of Sec.73 of the Companies Act 2013."</i></p>	15.01.2016	EGM
5.	<p><u>Change in authorised share capital</u> Clause V of the MoA was amended to reflect the Increase in authorized share capital from ₹ 75,00,000 (Seventy Five Lakh) divided into 7,50,000 (Seven Lakh Fifty) of ₹ 10/- each to ₹ 12,00,00,000 (Twelve Crore) divided into 1,20,00,000 (One Crore Twenty Lakh) Equity shares of ₹ 10/- each.</p>	19.03.2018	EGM
6.	<p><u>Change in name of our Company:</u> Clause I of the MoA was amended to reflect the change in name of our Company from "KHFM Hospitalityand Facility Management Services Private Limited" to "KHFM Hospitalityand Facility Management Services Limited".</p> <p><u>Conversion from private limited to public limited:</u> Clause I of the Memorandum of Association was altered to reflect the conversion of our Company from private limited to public limited.</p>	18.05.2018	EGM

Adoption of new Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated July 18, 2012 and on May 18, 2018.

Shareholders of our Company

As on the date of this Draft Prospectus, our Company has seven (7) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus

Major Events

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Event
2006	Incorporation of our Company
2012	Name of the Company was changed from Kalpataru's Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited vide fresh Certificate of Incorporation dated August 10, 2012 by Registrar of Companies, Mumbai, Maharashtra.
2018	Our Company was converted into a public limited company vide a fresh Certificate of Incorporation dated May 30, 2018, issued by the Registrar of Companies, Mumbai, Maharashtra and consequently the name of our Company was changed to KHFM Hospitality and Facility Management Services Limited

Other Details regarding our Company

For information on our activities, services, growth, technology, geographical presence, market, managerial competence, our standing with reference to our prominent competitors and major customers and suppliers, please refer to sections titled "*Our Business*"; "*Industry Overview*"; "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 84, 76; and 168; respectively of this Draft Prospectus.

For details of our management, please refer to section titled "*Our Management*" beginning on page 100 of this Draft Prospectus.

Capital raising activities through equity or debt

Except as set out in the sections titled "*Capital Structure*" and "*Statement of Financial Indebtedness*" beginning on pages 56 and 163 respectively of this Draft Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Changes in the Activities of our Company during the last five years

There has been no change in the activities being carried out by our Company which may have a material effect on the profits/loss of our Company, including discontinuance of lines of business, loss of agency or markets and similar factors in the last five years.

Revaluation of Assets

Our Company has not revalued its assets as on the date of this Draft Prospectus.



KHFH Hospitality and Facility Management Services Limited

Awards and Accreditations

We have not received the following Awards and accreditations as on the date of this Draft Prospectus

Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity

There are no defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity in relation to our Company.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Lock outs and strikes

There have been no instances of strikes, lock-outs or instances of labour unrest in our Company.

Time and cost overruns

Our Company has not implemented any projects and has not, therefore, experienced any time or cost overrun in relation thereto.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

Our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Other Agreements

Except the agreements disclosed above under "*Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.*" beginning on page 98 of this Draft Prospectus, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two (2) years preceding this Draft Prospectus.

Holding Company of our Company

As on the date of this Draft Prospectus, our Company is not a subsidiary of any Company.

Subsidiary of our Company

As on the date of this Draft Prospectus, our Company does not have a subsidiary company.

Material Transactions

Other than as disclosed under section titled "*Related Party Transactions*" beginning on page 118 of this Draft Prospectus, there are no sales or purchase between our Company and our Subsidiary where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common pursuits

Our Promoters do not have any interest in any ventures that is involved in the same line of activity or business as that of our Company except our group company KHFH HR Consultancy Private Limited and one of our group entity M/s Kalpatharu's Pest Control.



KHFM Hospitality and Facility Management Services Limited

Collaboration Agreements

As on the date of this Draft Prospectus, our Company is not a party to any collaboration agreements

Shareholders' Agreements

As on the date of this Draft Prospectus, our Company has not entered into any shareholders' agreements.

Material Agreements

Our Company has not entered into any material agreements, other than the agreements entered into by it in normal course of its business.

Joint Ventures of our Company

As on the date of this Draft Prospectus, our Company does not have any joint ventures.

Strategic and Financial Partners

As of the date of this Draft Prospectus, our Company does not have any strategic or financial partners.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association our Company shall not appoint less than three (3) and more than fifteen (15) Directors. Currently, our Company has six (6) Directors. Out of six (6) directors, two (2) are Executive Director; one (1) and a Non-executive director; and three (3) are Independent Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Draft Prospectus:

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Draft Prospectus
<p>Mr. Ravindra Malinga Hegde</p> <p><u>Designation:</u> Managing Director</p> <p><u>Address:</u> F-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p><u>Date of Appointment:</u> January 27, 2006</p> <p><u>Term:</u> Appointment as Managing Director for Five (5) years <i>w.e.f.</i> August 24, 2018 (Liable to retire by rotation).</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 01821002</p>	60 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ KHFM HR Consultancy Private Limited <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Ms. Sujata Ravindra Hegde</p> <p><u>Designation:</u> Executive Director</p> <p><u>Address:</u> F-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p><u>Date of Appointment:</u> January 27, 2006</p> <p><u>Term:</u> Since Incorporation (Liable to retire by rotation)</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 01829352</p>	50 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ KHFM HR Consultancy Private Limited <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ <u>Nil</u>
<p>Mr. Saurav Ravindra Hegde</p> <p><u>Designation:</u> Non-Executive Director</p> <p><u>Address:</u> F-2504, Bldg No. 1, Oberoi Splendor, J V</p>	22 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p>

KHFM Hospitality and Facility Management Services Limited

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Draft Prospectus
<p>Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p><u>Date of Appointment:</u> April 23, 2018</p> <p><u>Term:</u> Liable to retire by rotation.</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Student</p> <p><u>DIN:</u> 08116567</p>		<ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Abhibrat Shanker Das</p> <p><u>Designation:</u> Independent Director</p> <p><u>Address:</u> B-1/11, Panchavati Apartment, Juhu Cross Lane, New India Colony Bus Stop, C d Barfiwala Marg, Mumbai 400 058</p> <p><u>Date of Appointment:</u> August 24, 2018</p> <p><u>Term:</u> Five (5) years <i>w.e.f.</i> August 24, 2018 (Liable to retire by rotation)</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 08205814</p>	35 years	<p><u>Public Limited Entities:</u></p> <p align="center">Nil</p> <p><u>Private Limited Entities:</u></p> <p align="center">Nil</p> <p><u>Foreign Entities:</u></p> <p align="center">Nil</p>
<p>Mr. Brahm Pal Singh</p> <p><u>Designation:</u> Independent Director</p> <p><u>Address:</u> A-304, Bhoomi Hills CHS, Thakur Village, Mumbai 400 101, Maharashtra, India.</p> <p><u>Date of Appointment:</u> August 24, 2018</p> <p><u>Term:</u> Five (5) years <i>w.e.f.</i> August 24, 2018 (Liable to retire by rotation)</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Retired ONGC Employee</p> <p><u>DIN:</u> 08045923</p>	61 years	<p><u>Public Limited Entities:</u></p> <p align="center">Nil</p> <p><u>Private Limited Entities:</u></p> <p align="center">Nil</p> <p><u>Foreign Entities:</u></p> <p align="center">Nil</p>

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Draft Prospectus
<p>Mr. Ravi Vimal Nevatia</p> <p><u>Designation:</u> Independent Director</p> <p><u>Address:</u> 303, Ganga Preet, ITI Road, Behind Saraswat Bank, Aundh, Pune 411 007, Maharashtra, India.</p> <p><u>Date of Appointment:</u> August 24, 2018</p> <p><u>Term:</u> Five (5) years <i>w.e.f.</i> August 24, 2018 (Liable to retire by rotation)</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Profession</p> <p><u>DIN:</u> 07200190</p>	55 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Kedia Construction Company Limited ▪ ABG Shipyard Ltd ▪ Nitin Castings Limited ▪ Kirti Investments Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil

Family Relationships between the Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act except as set out below:

Name	Name	Relationship
Mr. Ravindra Hegde	Ms. Sujata Hegde	Mr. Ravindra Hegde is the husband of Ms. Sujata Hegde
Mr. Ravindra Hegde Ms. Sujata Hegde	Mr. Saurav Hegde	Mr. Saurav Hegde is the son of Mr. Ravindra Hegde and Ms. Sujata Hegde

Brief biographies of the Directors

- Mr. Ravindra Hegde**, is the Promoter and Managing Director of our Company. He holds Bachelor' of Science Degree (Chemistry) from University of Mumbai. He has attended training in Facility Management & Pest Management from USA and has also attended training from Indian Grain Institute, Hapur in Pest Entomology. He is a member of Indian Pest Control Association. He has also been awarded with Shri Rajiv Gandhi Shiromani award on August 22, 2010 for Entrepreneurial Achievement.

He has been on the Board of our Company since its incorporation and is also one of the subscribers to the MOA of our Company. He has experience of more than 35 years in Facility and Hospitality Management. He is entrusted with the responsibility of looking after the overall management and operations of our Company.

- Ms. Sujata Hegde**, aged 50 years, is the Promoter and Executive Director of our Company. She has completed her Matriculation in the year 1986 from Chembur Karnataka High School. She has been the Director of the Company since inception and is also one of the subscribers to the MOA of our Company. 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.
- Mr. Saurav Hegde**, aged 22 years, is the Non-Executive Director of our Company. He holds Diploma in Computer Engineering from Maharashtra State Board of Technical Education, Mumbai and currently is pursuing B.Tech (Bachelor of Technology) from Manipal University. He has been on the Board of our Company since April 23, 2018. He has an experience of appx 1 year in Digital Marketing.

4. **Mr. Abhibrat Das**, aged 35 years, is the Independent Director of our Company. He completed his Diploma in Construction Technology from Vidyavardhini's Bhausaheb Vartak Polytechnic in 2004. He holds Bachelors degree of Engineering (Civil) from University of Mumbai and degree of Bachelor of Arts in Economics from MKU Open University, Madurai. He also holds a degree of Bachelor of Laws from University of Mumbai. He has been on the Board of our Company since August 2018. He has diversified experience of more than 14 years as Site Engineer and Lecturer. Presently, he is proprietor at Trade International, a company engaged in manufacturing of handloom and handicraft products.
5. **Mr. Brahm Pal Singh**, aged 61 years, is the Independent Director of our Company. He has done Ph.D in Chemistry from HNB Garhwal University, Srinagar. He has also done MBA in Human Resource Management from Indira Gandhi National Open University, New Delhi. He also a degree of M.Sc. in Chemistry from Meerut University, Meerut. He has been on the Board of our Company since August 2018. He has more than 36 years of rich experience at Oil and Natural Gas Corporation Limited (ONGC) in versatile division *i.e.* Research and Development, Human resource, Engineer, Quality and Process Control, etc.
6. **Mr. Ravi Vimal Nevatia**, aged 55 years, is the Independent Director of our Company. He is member of Institute of Chartered Accountants of India. He also holds a degree of Bachelor of Commerce from University of Mumbai. He has been on the Board of our Company since August 2018. He has more than 26 years of experience in Auditing, Taxation and Financial Advisory Services.

Confirmations

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors are categorized on the RBI List of willful defaulters as on date of this Draft Prospectus.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Draft Prospectus

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

Director’s association with the Securities Market

None of the Directors of our Company are associated with securities market.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of our Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.

Remuneration to Non-Executive Directors

The Board of Directors in its meeting held on September 06, 2018 had approved sitting fees of ₹ 5,000 to be paid to each Non-Executive Director(s) for attending every meeting of the Board or a Committee thereof excluding the Stakeholders Grievances Committee and Finance Sub-Committee.

Remuneration to Executive Directors

- Mr. Ravindra Hegde**, is the Promoter and Managing Director of our Company and was re-appointed by way of a board resolution dated August 24, 2018 and a shareholder’s resolution dated August 25, 2018 for a period of five (5) years commencing from August 24, 2018 till August 23, 2023. Mr. Ravindra Hegde’s terms of appointment have been laid down under the Employment Agreement dated August 24, 2018. The significant terms of his employment are set out below:

Particulars	Remuneration
Basic Salary	₹36,00,000 lakhs per annum
Commission	Nil.
Appointment as a Executive Director	August 24, 2018 <i>(Five (5) years with effect from August 24, 2018 till August 23, 2023)</i>
Other Allowances	Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as from time to time, be available to other Senior Executives of the Company
Remuneration paid for F.Y. 2017-2018	₹12.00 lakh

- Ms. Sujata Hegde**, is the Promoter and Executive Director of our Company since its Incorporation. The significant terms of her employment are set out below:

Particulars	Remuneration
Basic Salary	₹30,00,000 lakh per annum
Commission	Nil.
Appointment as a Executive Director	Since Incorporation (Liable to retire by rotation)
Other Allowances	Nil
Remuneration paid for F.Y. 2017-2018	₹12.00 lakh

Payment or benefit to Directors of our Company

The sitting fees/other remuneration of our Directors in fiscal 2018 are as follows:

- **Payment of non-salary related benefits**

Except as stated under Remuneration to Executive Directors and "Remuneration to Non-executive directors", our Company has not paid, in the last two (2) years preceding the date of this Draft Prospectus, and nor does it intend to pay any non-salary related amount or benefits to our Directors.

- **Remuneration to Executive Directors:** The remuneration to Mr. Ravindra Hegde; and Ms. Sujata Hegde was ₹12.00 lakhs; and ₹12.00 lakhs respectively for the FY 2017 - 2018.
- **Remuneration to Non-Executive Directors:** Pursuant to the Board resolution dated August 29, 2018, our Company has fixed an amount of ₹5000 as the sitting fees payable to our Independent Directors, towards attending meetings of the Board of Directors or a committee thereof. It may be noted that only Non-Executive Directors are paid sitting fees. Other than as disclosed above, our Company has not paid sitting fees to any of our other non-executive Directors. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Shareholding of directors in our Company

Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	% holding	Number of Shares	% holding
Mr. Ravindra Hegde	58,04,785	86.00	58,04,785	59.84
Ms. Sujata Hegde	9,45,000	14.00	9,45,000	9.74
Mr. Saurav Hegde	100	Negligible	100	Negligible
Total	67,49,885	100.00	67,49,885	69.59

Shareholding of Directors in our Subsidiaries

Our Company does not have any subsidiary as on the date of this Draft Prospectus.

Shareholding of Directors in our Associate companies

Our Company does not have any associate companies as on the date of this Draft Prospectus.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interests of our Directors

Our executive directors may also be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. For further details, please refer to section titled "*Our Management – Shareholding of directors in our Company*" and "*Capital Structure*" beginning on pages 105 and 56 respectively of this Draft Prospectus. Our director may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the Equity Shares held by them.

Our independent directors may be deemed to be interested in our Company to the extent of fees payable to them for attending meetings of our Board or committees thereof and reimbursement of expenses payable pursuant to our Articles of Association.

Our directors have no interest in any property acquired or proposed to be acquired by our Company two (2) years prior to the date of this Draft Prospectus.

Except Mr. Ravindra Hegde; and Ms. Sujata Hegde, who are the directors and Promoters of our Company, none of our other Directors have any interest in the promotion of our Company other than in ordinary course of business. Except as disclosed above, no amount or benefit has been paid or given within the two (2) preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

None of our Directors have availed any loan from our Company. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Except as disclosed under section titled "*Our Management - Remuneration to Executive Directors*" beginning on page 104 of this Draft Prospectus, none of our Directors is party to any bonus or profit sharing plan of our Company. Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Company’s Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

Sr No.	Name of the Director	Date of Change	Reason for change
1.	Mr. Abhibrat Das	August 24, 2018	Appointment as an Independent Director
2.	Mr. Brahm Pal Singh	August 24, 2018	Appointment as an Independent Director
3.	Mr. Ravi Nevatia	August 24, 2018	Appointment as an Independent Director
4.	Mr. Saurav Hegde	April 23, 2018	Appointment as Non-Executive Director

Borrowing Powers of the Board

The Articles, subject to the provisions of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a resolution passed at the Extra Ordinary General Meeting held on August 25, 2018, in accordance with the Companies Act, 2013 authorized the Board to borrow monies from time to time, the borrowings of our Company shall not exceed ₹15000 lakhs for the time being, including the money already borrowed by our Company.

Corporate Governance

The Corporate Governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, as required under law.

KHFM Hospitality and Facility Management Services Limited

Our Board has been constituted in compliance with the Companies Act, the Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has six (6) Directors comprising two (2) Executive Directors (*of whom one is a woman Director*), one (1) Non-Executive Director and three (3) Independent Directors.

The details of i) Audit Committee; ii) Nomination and Remuneration Committee; and iii) Stakeholders Relationship Committee committees are set out below. In addition to the committees of the Board detailed below, our Board of Directors may, from time to time constitute committees for various functions.

i) Audit Committee:

Our Company has constituted the Audit Committee in accordance with the Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations. Further, the Audit Committee was re-constituted by way of a Board resolution dated August 29, 2018. The audit committee presently consists of the following Directors of the Board:

- i) Mr. Ravi Vimal Nevatia, Chairman;
- ii) Mr. Brahm Pal Singh, Member;
- iii) Mr. Ravindra Malinga Hegde, Member

The scope of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of our Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of our Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To establish and review the functioning of the whistle blower mechanism;
20. Approval of appointment of the chief financial officer (*i.e.*, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee
22. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
23. Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

ii) **Nomination and Remuneration Committee:**

Our Company has constituted in terms of Section 178 of the Companies Act and Regulation 19 of the SEBI (LODR) Regulations, Remuneration Committee as Nomination and Remuneration Committee in the meeting of the Board of Directors held on August 29, 2018. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

- i) Mr. Brahm Pal Singh, Chairman;
- ii) Mr. Ravi Vimal Nevatia, Member;
- iii) Mr. Abhibrat Shanker Kumar Das, Member

The terms of reference of Nomination and Remuneration Committee are set out below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

iii) **Stakeholders Relationship Committee:**

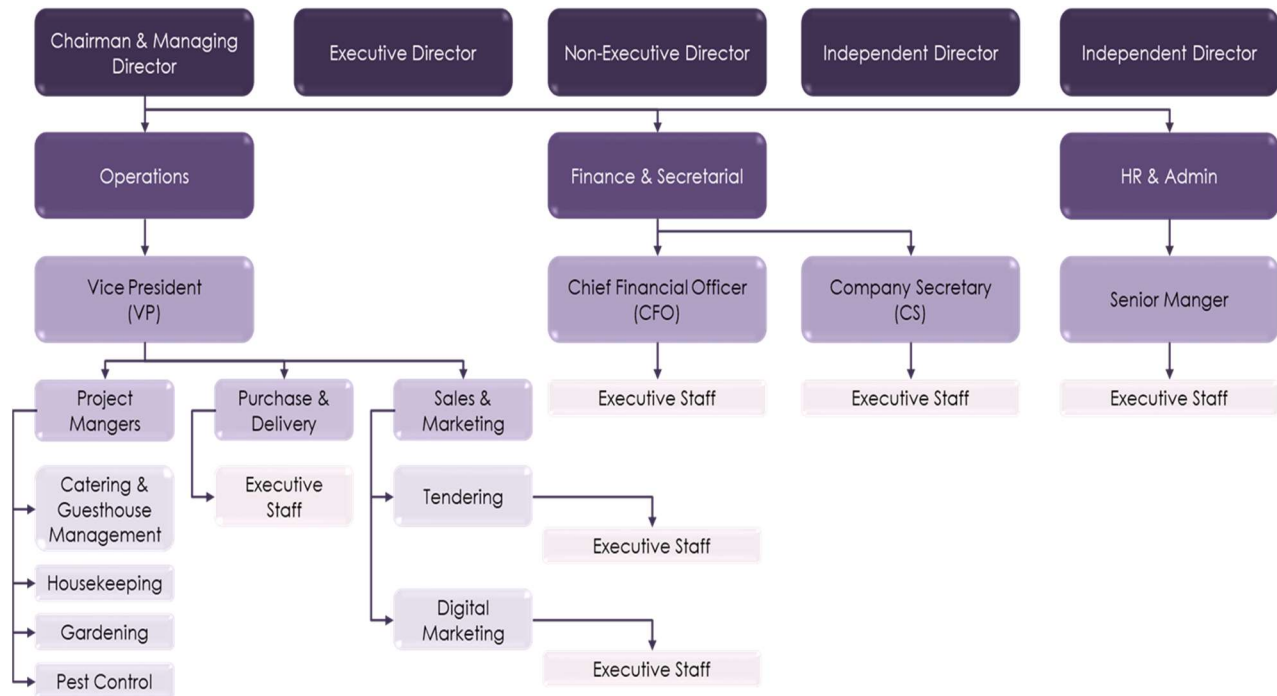
Our Company has constituted the Stakeholders Relationship Committee by way of a Board Resolution dated August 29, 2018. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

- i) Mr. Abhibrat Shanker Kumar Das, Chairman;
- ii) Mr. Brahm Pal Singh, Member;
- iii) Mrs. Sujata Ravindra Hegde, Member

The scope of the Stakeholders Relationship Committee is set out below:

1. Redressal of shareholders'/investors' complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Non-receipt of declared dividends, balance sheets of the Company; and
4. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Management Organizational Structure



Profiles of our Key Managerial Personnel

In addition to our Managing Director, Mr. Ravindra Hegde; and our Executive Director, Mrs. Sujata Hegde, whose details are provided under "*Brief biographies of the Directors*" beginning on page 102 of this Draft Prospectus, the details of our other Key Managerial Personnel as on the date of this Draft Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

KHFM Hospitality and Facility Management Services Limited

1. **Mr. Naveen Carvalho**, 42 years, is the Chief Financial Officer (CFO) of our Company. He has been associated with our Company since January 2006. He holds Diploma in Computer Science since 1995. He has more than 20 years of experience and responsible for accounting and finance activities of our Company.
2. **Mr. Shekhar Thigaley**, 63 years, is the Vice President (Operations) of our Company. He has been associated with our Company since January 2006. He holds degree of Bachelor of Mechanical Engineering from University of Pune. He also holds degree of Diploma in Tools Engineering from University of Pune. He has more than 16 years of experience and look after business operations of our Company.
3. **Mr. Anubhav Shrivastava**, 29 years, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since August 2018. He is a member of Institute of Company Secretaries of India (ICSI). He has obtained the degree of Post Graduate Diploma in Management (PGDM) from Asian School of Business Management, Bhubaneswar. He has obtained the degree of Bachelor of Commerce from St. Aloysius College, Jabalpur. He is responsible for compliance with statutory and regulatory requirements and for ensuring that decisions of our Board are implemented.
4. **Mr. Vinayak Gangapure**, 36 years, is the Human Resource Manager of our Company. He has been associated with our Company since April 2009. He has obtained the degree of Master of Business Administration from Osmania University. He has more than 9 years of experience and look after human resource administration of our Company.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company.

Relationship amongst the Key Managerial Personnel of our Company

There is no family relationship amongst the any Key Managerial Personnel of our Company.

Shareholding of Key Management Personnel in our Company

None of the Key Management Personnel hold Equity Shares in our Company as on the date of this Draft Prospectus except as disclosed below.

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Ravindra Hegde	58,04,785	86.00	58,04,785	59.84
Ms. Sujata Hegde	9,45,000	14.00	9,45,000	9.74
Mr. Naveen Carvalho	5	Negligible	5	Negligible
Mr. Shekhar Thigaley	5	Negligible	5	Negligible
Total	67,49,795	100.00	67,49,795	69.59

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

Interests of Key Management Personnel

Other than as disclosed under this section under "*Our Management - Interest of our Directors*" and "*Our Management - Shareholding of Key Management Personnel*" beginning on pages 110 and 110 respectively of this Draft Prospectus, our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.



KHFM Hospitality and Facility Management Services Limited

The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them.

The Key Management Personnel are not entitled to any contingent or deferred compensation.

Payment of benefits to officers of our Company (*non-salary related*)

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

Changes in our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:



Sr No.	Name of the Key Managerial Personnel	Designation	Date of change	Reason for change
1.	Mr. Anubhav Shrivastava	Company Secretary	August 24, 2018	Appointment
2.	Mr. Naveen Carvallo	Chief Financial Officer	August 24, 2018	Appointment

OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTER

Ravindra Malinga Hegde and Sujata Ravindra Hegde are the Promoter of our Company as on the date of this Draft Prospectus, holding 58,04,785 equity Shares and 9,45,000 equity shares respectively.

Details of our Promoter

	<p>Ravindra Malinga Hegde, aged 60 years, is one of the Promoters of our Company and is Chairman and Managing Director of our Company. He is resident Indian national. He holds Bachelor's of Science Degree (Chemistry) from University of Mumbai. He has been on the Board of our Company since its incorporation and is also one of the subscribers to the MOA of our Company. He has experience of more than 35 years in Facility and Hospitality Management.</p> <p>For a complete profile of Ravindra Malinga Hegde, including his terms of appointment as the Managing Director, educational qualifications, professional experience, refer "<i>Our Management</i>" on page 100.</p> <p>Driving License: MH02 20100115360 Aadhar Card: 4692 1409 8916 Address: DF-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p>As on the date of this Draft Prospectus, Ravindra Malinga Hegde holds 58,04,785 equity shares representing 86.00% of the pre-issue paid-up equity share capital of our Company. For details of other ventures of Ravindra Malinga Hegde, refer "<i>Our Group Company</i>" on page 115.</p>
	<p>Sujata Ravindra Hegde, aged 50 years, is the Executive Director of our Company. She has completed her formal education upto Higher Secondary Schooling. She has experience of about 15 years in Facility Management Services. She has been on the Board of our Company since its incorporation and is also one of the subscribers to the MOA of our Company.</p> <p>For a complete profile of Sujata Ravindra Hegde, including her terms of appointment as the Executive Director, educational qualifications, professional experience refer "<i>Our Management</i>" on page 100.</p> <p>Driving License: MH02 19980055213 Aadhar Card: 5040 4762 0901 Address: DF-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p>As on the date of this Draft Prospectus, Sujata Ravindra Hegde holds 9,45,000 equity shares representing 14.00% of the pre-issue paid-up equity share capital of our Company. For details of other ventures of Sujata Ravindra Hegde, refer "<i>Our Group Company</i>" on page 115</p>

We confirm that the Permanent Account Number, Aadhaar Number, Bank Account Number and Passport Number of the Promoters will be submitted to NSE Emerge of National Stock Exchange of India Limited, being the SME Platform of NSE where the Equity Shares are proposed to be listed.

Interest of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of Ravindra Malinga Hegde being the Managing Director of our Company and Sujata Ravindra Hegde being the Executive Director of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to them; and (iv) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. For details regarding the shareholding of our Promoters in our Company, refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 56, 100 and 118, respectively.

Our Promoters do not have any interest in any property acquired by our Company within two years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Except as stated in the “*Related Party Transactions*” on page 118, our Promoters do not have any interest in any supply of machinery to our Company.

Other than as disclosed in the section “*Financial Statements - Annexure X – Statement of Related Party Transactions*” on page 159, there are no sales/purchases between our Company and our Promoters and Promoter’s Group and Group Companies when such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoters, our Promoter’s Group and Group Companies as on the date of the last financial statements.

Further, our Promoters may be interested to the extent the Company has availed unsecured loans from them which are repayable on demand. For further details, refer “*Financial Statements - Annexure X – Statement of Related Party Transactions*” and “*Statement of Financial Indebtedness*” on pages 159 and 163, respectively.

Change in the management and control of our Company

Our Promoters, Ravindra Malinga Hegde and Sujata Ravindra Hegde, are the original promoters of our Company and there has not been any change in the management or control of our Company.

Group Company

For details of our group entities, refer “*Our Group Company*” on page 115.

Confirmations

The Company hereby confirms that:

- ❖ Our Promoters and members of the Promoter Group have not been declared as Wilful Defaulters.
- ❖ Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- ❖ Our Promoters and members of the Promoter Group are not and have never been promoter, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Payment or Benefit to Promoters

Except as stated above in “*Interest of Promoters*” and in “*Financial Statements-Annexure X – Statement of Related Party Transactions*” on pages 113 and 159, respectively, there has been no payment of benefits to our Promoters, members of our Promoter’s Group and Group Entities, during the two years preceding the filing of this Draft Prospectus.

Litigation

There is no litigation or legal action pending or taken by a ministry, department of the Government or Statutory Authority during the last five (5) years preceding the date of this Draft Prospectus against our Promoters. For details relating to legal proceedings involving our Promoters, refer “*Outstanding Litigation and Material Developments*” on page 175.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any Company in three years preceding the date of this Draft Prospectus:

OUR PROMOTER GROUP

A. Individual Promoter Group of our Promoter

Relationship	Ravindra Malinga Hegde	Sujata Ravindra Hegde
Father	Malinga Hegde	Sadashiv Shetty
Mother	Ramani Hegde	Sampavati Shetty
Spouse	Sujata Hegde	Ravindra Hegde
Brother	Ashok Hegde	Vishwanath Shetty
	Vijay Hegde	Vasant Shetty
		Anand Shetty
Sister	Shubha Shetty	Kasturi Shetty
	Suma Shetty	Chandravati Shetty
	Shailaja Hegde	
Son	Saurav	Saurav
Daughter	Riddhi	Riddhi
Spouse's Father	Sadashiv Shetty	Malinga Hegde
Spouse's Mother	Sampavati Shetty	Ramani Hegde
Spouse's Brother	Vishwanath Shetty	Ashok Hegde
	Vasant Shetty	Vijay Hegde
	Anand Shetty	
Spouse's Sister	Kasturi Shetty	Shubha Shetty
	Chandravati Shetty	Suma Shetty
		Shailaja Hegde

B. Entities forming part of Promoter Group

- Companies
KHFM HR Consultancy Pvt. Ltd. (previously named “Kalpataru’s Pest Control Private Limited)
- Partnership Firms – *Nil*
- HUF – *Nil*
- Proprietary concern
KHFM Pest Control (Formerly known as Kalpatharu’s Pest Control) (Proprietorship of Mr. Ravindra Hegde)
Palemer Enterprises (Proprietorship of Mrs. Sujata Hegde)



KHFM Hospitality and Facility Management Services Limited

OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies/ entities covered under the applicable accounting standard, *i.e.*, AS-18 as per the Restated Financial Statements and other companies/ entities considered material by our Board. Pursuant to a resolution of our Board dated August 29, 2018, for the purpose of disclosure in connection with the Issue, a company/ entity shall be considered material and disclosed as a Group Company/ entity as per the Materiality Policy if our Company has entered into one or more transactions with such company/ entity in the preceding Financial Year, cumulatively exceeding 10% of the total revenue of our Company for such Financial Year.

Based on the above, as on the date of this Draft Prospectus, following is our Group Company:

I. Details in relation to the Group Company

1. KHFM HR Consultancy Private Limited ("*KHFM Consultancy*")

Corporate Information

KHFM Consultancy was originally incorporated as Kalpatharu's Pest Control Private Limited under the Companies Act, 1956 on April 15, 1997 bearing CIN U99999MH1997PTC107309. Further, KHCPL changed its name from Kalpatharu's Pest Control Private Limited to KHFM HR Consultancy Private Limited pursuant to special resolution passed at the EGM of our Company held on May 14, 2018 and a fresh certificate of incorporation dated May 29, 2018 was issued by the Registrar of Companies, Maharashtra, Mumbai.

KHFM Consultancy is presently engaged in the business of residential pest control services. The registered office of KHFM Consultancy is situated at 14/B/10, New MHADA Colony, Mahakali Road, Andheri (East), Mumbai 400 093, India.

Capital Structure

(Equity Shares of face value of ₹10 each)

Particulars	Amount of capital
Authorised share capital	1,00,000
Issued, subscribed and paid-up equity share capital	1,00,000

Shareholding Pattern as on the date of this Draft Prospectus

(Equity Shares of face value ₹10 each)

Particulars	No. of equity shares held	Shareholding (%)
Mr. Ravindra Hegde	8,600	86.00
Ms. Sujata Hegde	1,400	14.00
Total	10,000	100.00

Interest of our Promoters

Our Promoters hold 10,000 equity shares of ₹10 each constituting 100.00% of the total paid-up equity share capital of KHFM Consultancy. Our Promoters are on the board of KHFM Consultancy and to that extent they will be deemed to be interested.

Financial Performance

The audited financial performance for the last three (3) financial years is given below:

(₹ in lakhs except for per share data)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	13.46	13.38	8.52

KHFM Hospitality and Facility Management Services Limited

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Sales / Turnover (Income)	2.16	0.00	0.00
Profit (Loss) after Tax	0.09	-0.04	-0.43
Earnings per Share (in ₹) (Face value ₹10) – Basic & Diluted	0.86	NA	NA
Net Asset Value per equity share (in ₹) (Face value ₹10)	144.64	143.79	95.25

Significant notes of auditors

There are no significant notes of the auditors for the aforementioned financial years.

Other Confirmations

- ❖ Our Group Companies is not sick company and are not under the process of winding-up.
- ❖ Our Group Company does not hold holds any Equity Shares, warrants/convertible securities in our Company as of the date of this Draft Prospectus.
- ❖ Our Group Company do not have any interest, including any business or other interest, in our Company.
- ❖ Our Group Company is not interested in any property acquired by our Company within the last two (2) years or proposed to be acquired by our Company.
- ❖ Our Group Company is not listed and has not made any public or rights issue in preceding three (3) years.
- ❖ Our Group Company does not have negative networth for the last three (3) Financial Years ended March 31, 2018, 2017 and 2016.

Loss making Entity

None of our Group Companies have incurred loss in the immediate preceding year.

Related Party Transactions

For details of related party transactions please see Annexure XI- Statement of Related party disclosures, as restated appearing in the section titled "Restated Financial Statements" beginning on page 159 of this Draft Prospectus.

Companies with negative net worth

Our Group Companies do not have negative net worth as per the last audited financial statements mentioned herein.

Nature and Extent of Interest of Group Companies

(a) *In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

(b) *In the properties acquired or proposed to be acquired by our Company in the past 2 (two) years before filing the Draft Prospectus with Stock Exchange*

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 (two) years preceding the filing the Draft Prospectus with the Stock Exchange.



KHFM Hospitality and Facility Management Services Limited

(c) ***Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company***

For details of related party transactions please see Annexure X – Restated Statement of Related Party Transaction, as restated appearing in the section titled "*Restated Financial Statements*" beginning on page 159 of this Draft Prospectus.

Payment of amount or benefits to our Group Companies during the last two (2) years

Except as mentioned in the sections titled Annexure X – Restated Statement of Related Party Transaction, as restated appearing under the section titled "*Restated Financial Statements*" and section titled "*Objects of the Issue*" beginning on pages 120; and 66 respectively of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies during the last 2 (two) years from the date of filing of this Draft Prospectus.

Common Pursuits

Our Promoters do not have any interest in any ventures that is involved in the same line of activity or business as that of our Company except our group company KHFM HR Consultancy Private Limited and one of our group entity M/s Kalpatharu's Pest Control (*formerly known as Kalpatharu's Pest Control*).

Other disclosures

- Our Group Companies have not remained defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Companies during the 5 (five) years preceding the date of filing of the Draft Prospectus with the Stock Exchange.
- Our Group Companies are not under any winding up proceedings.
- As on July 31, 2018, our Group Companies have not taken any unsecured loans from our Company.
- No part of the net proceeds is payable to our Group Companies.
- Our Group Companies are not listed on any of the Stock Exchanges and have not made any public/rights issue in last 5 (five) years. Further, no action has been taken against our Group Companies by any Stock Exchange or SEBI.
- Our Group Companies were not a sick company within the meaning of erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and were not under the erstwhile Board for Industrial and Financial Reconstruction. There have been no applications filed or admitted for initiation of corporate insolvency process or winding up before the National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016.
- There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against our Group Companies.
- Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Companies have not been identified as a willful defaulter by the RBI or other authorities.



KHFM Hospitality and Facility Management Services Limited

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five financial years, as per the requirements under Accounting Standard 18 "*Related Party Disclosures*", please see "*Financial Statements – Annexure X– Restated Statement of Related Party Transactions*" on page 159 of this Draft Prospectus.



KHFM Hospitality and Facility Management Services Limited

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Our Company has not paid any dividend for the last five years. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION V- FINANCIAL INFORMATION OF THE COMPANY

RESTATED FINANCIAL STATEMENT

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS OF
"KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LTD."**

(As required by Section 26 of the Companies Act, 2013 read with Rule 4 of
Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LTD.
01, Nirma Plaza, Makhwana Road,
Marol Naka, Andheri (East)
Mumbai 400059
Maharashtra – India.

Dear Sirs,

Report on Restated Financial Statements

1. We have examined, as appropriate (refer paragraphs 3 and 4 below), the attached Restated Financial Statements of **KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LTD.** (hereinafter referred as “the Company”) as at 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 and the related Restated Statement of Profit & Loss for each of the financial years ended on 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 and Restated Statement of Cash Flow for each of the financial years ended 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 (collectively “Restated Summary Statements” or “Restated Financial Statements”). These Restated Summary Statements have been prepared by the company and approved by the Board of Directors of the Company in connection with Initial Public Offering (IPO) of Equity Shares on SME Emerge Platform of National Stock Exchange of India Limited (“NSE”)
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - i) Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”) read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and related amendments / clarifications made thereto from time to time;
 - iii) The terms of reference to our engagements with the Company, requesting us to examine the financial statements referred to above and proposed to be included in the Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares on Emerge Platform of National Stock Exchange of India Limited (“NSE”) (“IPO” or “SME IPO”) and
 - iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (‘ICAI’) (“Guidance Note”)
3. The Restated Summary Statements of the Company have been extracted by the Management from the Audited Financial Statements of the Company for the financial years ended 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 which have been approved by the Board of Directors.
4. Audit of the Financial statements for the years ended 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 has been conducted by Company’s Statutory Auditors, M/s G. R. Shetty & Co., Chartered Accountants (F. R. No. 110093W).

KHFM Hospitality and Facility Management Services Limited

Further, Financial Statements for the year ended 31st March, 2018 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 which were audited by the Statutory Auditors M/s G. R. Shetty & Co., Chartered Accountants (F. R. No. 110093W) is based on the audited financial statements of the Company and whose Auditor's Reports have been relied upon by us for the said periods.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the 'ICAI') and the terms of our engagement agreed with you, we report that:
- (i) The "Restated Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Company as at 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - (ii) The "Restated Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Company for the financial years ended 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - (iii) The "Restated Statement of Cash Flow" as set out in **Annexure III** to this report, of the Company for the financial years ended 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
6. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the reports submitted by the statutory auditors M/s G. R. Shetty & Co., Chartered Accountants (F. R. No. 110093W) for the respective periods / years, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
 - b) Adjustments for prior period and other material amounts, if any in the respective financial years to which they relate and there are not qualifications which require adjustments.
 - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
 - d) These Profits / (Losses) have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

7. We have examined the following regrouped/ rearranged financial information relating to the Company, proposed to be included in the Draft offer Document / offer Document (“Offer Document”), as approved by the Board of Directors of the Company and attached to this report for the financial years ended on 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014.

- (i) Restated Statement of Share Capital enclosed as **Annexure A**
- (ii) Restated Statement of Reserves & Surplus enclosed as **Annexure B**
- (iii) Restated Statement of Long Term Borrowings enclosed as **Annexure C**
- (iv) Restated Statement of Principal Terms of Secured Loans And Assets Charged as Security (**Annexure CF1**)
- (v) Restated Statement of Principal Terms of Unsecured Loans (**Annexure CF2**)
- (vi) Restated Statement of Deferred Tax Liabilities / (Assets) enclosed as **Annexure D**
- (vii) Restated Statement of Long Term Provisions enclosed as **Annexure E**
- (viii) Restated Statement of Short Term Borrowings enclosed as **Annexure F**
- (ix) Restated Statement of Trade Payables enclosed as **Annexure G**
- (x) Restated Statement of Other Current Liabilities enclosed as **Annexure H**
- (xi) Restated Statement of Short Term Provisions enclosed as **Annexure I**
- (xii) Restated Statement of Fixed Assets enclosed as **Annexure J**
- (xiii) Restated Statement of Non-Current Investments enclosed as **Annexure K**
- (xiv) Restated Statement of Long Term Loans & Advances enclosed as **Annexure L**
- (xv) Restated Statement of Inventories enclosed as **Annexure M**
- (xvi) Restated Statement of Trade Receivables enclosed as **Annexure N**
- (xvii) Restated Statement of Cash & Cash Equivalents enclosed as **Annexure O**
- (xviii) Restated Statement of Short Term Loans & Advances enclosed as **Annexure P**
- (xix) Restated Statement of Other Current Assets enclosed as **Annexure Q**
- (xx) Restated Statement of Revenue from Operations and Other Income enclosed as **Annexure R**
- (xxi) Restated Statement of Employee Benefit Expenses enclosed as **Annexure S**
- (xxii) Restated Statement of Other Expenses enclosed as **Annexure T**
- (xxiii) Restated Statement of Finance Costs enclosed as **Annexure U**
- (xxiv) Restated Statement of Depreciation & Amortization enclosed as **Annexure V**
- (xxv) Restated Statement of Contingent Liabilities as **Annexure W**
- (xxvi) Restated Statement of Related Party Transactions enclosed as **Annexure X**
- (xxvii) Restated Statement of Capitalization as at 31st March, 2018 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization enclosed as **Annexure Y**
- (xxviii) Restated Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure Z**
- (xxix) Restated Statement of Tax Shelter enclosed as **Annexure AA**
- (xxx) Restated Statement of Dividend Declared enclosed as **Annexure AB**

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the statutory auditors M/s G. R. Shetty & Co., Chartered Accountants (F. R. No. 110093W), in our opinion, the Restated Financial Statements for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 read with Restated Significant Accounting Policies disclosed in **Annexure IV** are prepared after making adjustments and regroupings / reclassification as considered appropriate (Refer **Annexure IV**) and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8. We, M/s. SVK & Associates, Chartered Accountants, (F. R. No. 118564W) have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate No. 009326 dated September 16, 2016 issued by the “Peer Review Board” of the ICAI.

9. The preparation and presentation of the financial statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the Company.

10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for the events and circumstances occurring after the date of our report.
12. In our opinion, the above financial information contained in **Annexure I** to **Annexure AB** read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
13. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
14. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed Initial Public Offer – SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

15. Auditors’ Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

16. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;



KHFM Hospitality and Facility Management Services Limited

- a) In the case of Restated Statement of Assets and Liabilities of the Company, of the state of affairs of the Company as at 31st March, 2018, 31st March, 2017, 31st March, 2016, 31st March, 2015 and 31st March, 2014;
- b) In the case of the Restated Statement of Profit and Loss, of the profits of the Company for the Years ended on that date; and
- c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

For, SVK & Associates
Chartered Accountants
Firm No. – 118564W

CA. Shilpang V. Karia
Partner
M. No.: 102114

Place: Mumbai
Date: 6th September, 2018

ANNEXURE-I
STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(Amt. ₹ in Lakh)

	Particulars	Annx	As at				
			31-03-18 ₹	31-03-17 ₹	31-03-16 ₹	31-03-15 ₹	31-03-14 ₹
(1)	Equity & Liabilities						
	Shareholders' Funds						
	(a) Share Capital	A	675.00	67.50	67.50	67.50	67.50
	(b) Reserves & Surplus	B	1,160.95	1,546.03	1,364.99	1,169.94	960.31
			1,835.95	1,613.53	1,432.49	1,237.44	1,027.81
(2)	Non-Current Liabilities						
	(a) Long-term borrowings	C	850.04	675.07	439.30	117.75	218.85
	(b) Deferred Tax Liabilities	D	6.07	5.43	5.64	2.51	-
	(c) Other Non-Current Liabilities		-	-	-	-	-
	(d) Long-term provisions	E	10.45	13.02	9.90	7.97	7.53
			866.56	693.52	454.84	128.23	226.38
(3)	Current liabilities						
	(a) Short-term borrowings	F	1,498.98	1,376.50	1,399.03	1,403.45	1,397.14
	(b) Trade payables	G					
	- Dues to Micro & Small Enterprises		-	-	-	-	-
	- Dues to Other Than Micro & Small Enterprises		165.33	50.13	24.26	61.60	61.18
	(c) Other current liabilities	H	709.63	235.68	337.59	400.88	283.51
	(d) Short-term provisions	I	82.90	91.06	93.84	100.34	336.14
			2,456.83	1,753.38	1,854.71	1,966.27	2,077.97
	Total		5,159.34	4,060.44	3,742.04	3,331.94	3,332.17
	Assets						
(4)	Non-current assets						
	(a) Fixed Assets	J					
	- Property, Plant & Equipment		212.41	217.58	240.97	219.58	240.45
	- Intangible Assets		-	-	-	-	-
	- Capital Work-In-Progress		-	-	-	-	-
	(b) Non-current investments	K	5.00	5.00	5.00	5.00	5.00
	(c) Deferred Tax Assets	D	-	-	-	-	0.32
	(d) Long-term loans and advances	L	478.60	440.73	495.59	358.20	351.74
	(e) Other non-current assets		-	-	-	-	-
			696.01	663.31	741.57	582.77	597.51
(5)	Current Assets						
	(a) Inventories	M	4.42	25.69	73.83	137.78	137.58
	(b) Trade Receivables	N	2,999.28	2,689.60	2,397.72	2,138.39	1,767.14
	(c) Cash & Bank Balances	O	145.97	56.39	180.93	206.35	123.29
	(d) Short Term Loans & Advances	P	1,301.83	624.36	346.92	262.80	705.21
	(e) Other Current Assets	Q	11.83	1.08	1.08	3.84	1.44
			4,463.33	3,397.12	3,000.48	2,749.16	2,734.66
	Total		5,159.34	4,060.44	3,742.04	3,331.94	3,332.17

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively

ANNEXURE-II

STATEMENT OF PROFIT AND LOSS (AS RESTATED)

(Amt. ₹ in lakh)

Particulars	Annx	For the Year ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Continuing Operations						
Revenue from operations:	R					
- Revenue From Sale of Services		4,499.00	4,478.60	4,482.55	4,596.57	4,587.04
Net Revenue from operations		4,499.00	4,478.60	4,482.55	4,596.57	4,587.04
Other income	R	9.45	9.47	15.89	15.65	10.27
Total Revenue (A)		4,508.45	4,488.07	4,498.44	4,612.23	4,597.31
Expenses:						
Cost of Materials & Stores Consumed		-	-	-	-	-
Purchase of Stock-in-trade		-	-	-	-	-
Changes in Inventories of Stock-in-Trade		-	-	-	-	-
Employee Benefits Expenses	S	3,241.77	3,020.81	2,961.93	3,132.36	2,924.58
Other Expenses	T	566.82	865.42	919.00	871.74	1,062.74
Total Expenses (B)		3,808.59	3,886.22	3,880.93	4,004.10	3,987.32
Earnings Before Interest, Taxes, Depreciation & Amortization		699.86	601.85	617.52	608.12	609.98
Finance Costs	U	374.04	303.20	307.71	274.20	265.96
Depreciation and Amortization Expenses	V	24.22	27.17	19.59	22.77	32.86
Net Profit before exceptional items, extraordinary items and tax (C=A-B)		301.60	271.48	290.21	311.16	311.17
Exceptional Items (D)		-	-	-	-	-
Net Profit before extraordinary items and tax (E=C-D)		301.60	271.48	290.21	311.16	311.17
Extraordinary Items (F)		-	-	-	-	-
Net Profit before tax (G=E-F)		301.60	271.48	290.21	311.16	311.17
Provision for Tax						
- Current Tax		81.81	89.97	92.86	98.82	99.91
- Tax adjustment of prior years		(3.26)	0.68	(0.84)	(0.12)	(0.17)
- Deferred Tax Liability / (Asset)		0.63	(0.21)	3.14	2.83	(1.94)
- MAT Credit Entitlement		-	-	-	-	-
Tax Expense For The Year (H)		79.19	90.44	95.16	101.53	97.81
Restated Net Profit after tax from Continuing Operations (I=G-H)		222.41	181.04	195.05	209.63	213.36
Net Profit from Discontinuing Operations (J)		-	-	-	-	-
Restated Net Profit for the year from total operations (K=I+J)		222.41	181.04	195.05	209.63	213.36

Note: The above statement should be read with the restated statement of assets and liabilities, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, III and IV respectively

ANNEXURE-III

CASH FLOW STATEMENT (AS RESTATED)

(Amt. ₹ in Lakh)

Particulars	For the Year ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
1.Cash Flow From Operating Activities:					
Net Profit before tax and extraordinary item	301.60	271.48	290.21	311.16	311.17
<i>Adjustments for:</i>					
Depreciation Expenses	24.22	27.17	19.59	22.77	32.86
Finance Cost	374.04	303.20	307.71	274.20	265.96
Interest Received / Other Non-Operative Receipts	(9.45)	(9.47)	(15.89)	(15.65)	(10.27)
Operating Profit before Changes in Operating Assets & Liabilities	690.41	592.38	601.63	592.47	599.71
<i>Adjustments for:</i>					
Inventories	21.27	48.14	63.95	(0.20)	(0.21)
Trade Receivables	(309.67)	(291.88)	(259.33)	(371.25)	(83.29)
Short Term & Long Term Loans & Advances	(706.41)	(228.74)	(227.70)	434.64	(337.92)
Other Current Assets	(10.76)	0.00	2.76	(2.40)	3.95
Trade Payables	115.20	25.87	(37.34)	0.42	(18.69)
Other Current Liabilities	473.95	(101.91)	(63.29)	117.36	(94.88)
Other Non-Current Liabilities	0.00	0.00	0.00	0.00	0.00
Short Term & Long Term Provisions	(2.58)	3.25	1.38	(234.27)	233.33
Other Non-Current Assets	0.00	0.00	0.00	0.00	0.00
Changes in Operating Assets & Liabilities	(419.00)	(545.27)	(519.57)	(55.70)	(297.70)
Cash Flow from Extra-Ordinary Items	0.00	0.00	0.00	0.00	0.00
Cash Generated from Operations	271.41	47.11	82.06	536.77	302.01
Taxes Paid	(95.64)	(87.39)	(91.79)	(98.48)	(100.85)
Net Cash from Operating Activities	175.77	(40.28)	(9.73)	438.29	201.16
2. Cash Flow From Investing Activities:					
Fixed Assets / Other Assets Purchased (Net)	(19.05)	(3.78)	(40.99)	(1.90)	4.98
Interest Received/ Other Non-Operative Receipts	9.45	9.47	15.89	15.65	10.27
Net Cash from Investing Activities	(9.59)	5.69	(25.10)	13.75	15.25
3. Cash Flow From Financing Activities:					
Proceeds from Short term borrowings	122.47	(22.52)	(4.43)	6.31	4.91
Proceeds from Long term borrowings	174.98	235.77	321.55	(101.10)	(49.16)
Finance Cost	(374.04)	(303.20)	(307.71)	(274.20)	(265.96)
Net Cash from Financing Activities	(76.60)	(89.95)	9.41	(368.98)	(310.20)
Net Increase/ (Decrease) in Cash & Cash Equivalents	89.58	(124.54)	(25.42)	83.06	(93.79)
Cash & Cash Equivalents at the beginning of the year	56.39	180.93	206.35	123.29	217.08
Cash & Cash Equivalents at the end of the year	145.97	56.39	180.93	206.35	123.29

Note:

(Amt. ₹ In Lakh)

1. Components of Cash & Cash Equivalents:					
Particulars	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Cash on Hand	59.14	17.07	50.94	51.14	108.16
Balances with Scheduled Banks					
In Current Accounts	86.83	39.32	129.98	155.21	15.12
Total Cash & Cash Equivalents	145.97	56.39	180.93	206.35	123.29

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).
3. Figures in Brackets represents outflow.
4. The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II and IV respectively



KHFM Hospitality and Facility Management Services Limited

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS **Accompanying Financial Statements (As Restated)**

The Company

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED (the Company) was originally incorporated as KALPATARU'S HOSPITALITY & FACITLIY 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. G.S.R 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, *w.e.f.* 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 into a Public Limited Company and consequently, name of the Company was changed from "KHFM Hospitality & Facility Management Services Private Limited" to "KHFM Hospitality & 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.

I. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of Financial Statements

These financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 1956 (upto 31st March, 2014) and Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The Financial Statements for the year ended 31st March, 2018, 31st March, 2017, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013. Financial Statements for the year ended on 31 March 2014 have been prepared in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, adoption of Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

Change in accounting estimate

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

1. 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.

Sales of Services:

Sales of services are recognized as and when the services are performed / transferred in terms of the agreement / arrangements with the parties. Revenue from Sale of Services are recorded net of taxes.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rent Income:

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

2. Tangible Fixed assets

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.

3. Depreciation

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014. For the period after 01/04/2014, the depreciation on fixed assets is provided at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013 as per Written down Value Method (WDV) only.

4. Investments

Company's Investments are Non-Current Investments in nature being Investment in Shares of Bank. Non-Current Investments are stated at cost. A provision for diminution in the value of Investments is made for each investment individually if such decline is other than temporary.

5. Inventories

Inventories of Goods/components that are consumed in performing services are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase and other costs which are being incurred in bringing

the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

6. Retirement Benefits & Other Employee benefits

Defined-contribution plans:

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

Defined-benefit plans:

Provision for gratuity liability is provided based on actuarial valuation made covering all the period.

Leave encashment expenditure, if any is charged to profit and loss account at the time of leave encashed and paid.

Bonus expenditure is charged to profit and loss account on accrual basis.

7. Lease accounting

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of statement of profit and loss. Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.

8. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

9. Taxes on Income

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current tax -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred tax -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

10. Earnings per share:

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors, if any.

11. Provisions and contingent liabilities

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a

present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

12. Cash & Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank & on hand.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of 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. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

13. Segment Reporting

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, 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.

14. Other Non-Current Assets

Other Non-Current Assets includes expenses incurred in relation to Initial Public Offer (IPO) to be written off in the year of Public Issue.

II. NOTES TO RESTATED SUMMARY STATEMENT:

The financial statements for the year ended March 31, 2014 are prepared as per the revised schedule VI and financial statements for the year ended March 31, 2015, year ended March 31, 2016, year ended March 31, 2017 and year ended March 31, 2018 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the Schedule III. The adoption of revised schedule VI and Schedule III for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these financial statements.

1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

2. Disclosure as required u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006

As per the information furnished by the company, there are no Micro, Small & Medium Enterprises, to whom the Company owes dues and which are outstanding as the respective year end and the same has been relied upon by us.

3. As per the information furnished by the company, there are no Micro, Small & Medium Enterprises, to whom the Company owes dues and which are outstanding as the respective year end and the same has been relied upon by us.

4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
(DTA) / DTL on Timing	9.24	10.10	9.24	5.38	2.38

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Difference in Depreciation as per Companies Act and Income Tax Act.					
(DTA) on account of gratuity provision	(3.18)	(4.67)	(3.59)	(2.87)	(2.70)
Net Deferred Tax (Asset)/Liability	6.07	5.43	5.64	2.51	(0.32)

5. Directors' Remuneration:

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Directors' Salary	24.00	24.00	24.00	24.00	4.00
Total	24.00	24.00	24.00	24.00	4.00

6. Auditors' Remuneration:

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
a. As Auditors					
Statutory & Tax Audit Fees	1.70	1.10	1.10	2.57	0.70
Total	1.70	1.10	1.10	2.57	0.70

7. Earnings Per Share :

Earnings per Share have been calculated as under:

Earnings per Share have been calculated as under:

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
A. Number of Shares at the beginning of the year	6,75,000	6,75,000	6,75,000	6,75,000	6,75,000
Shares issued during the year	-	-	-	-	-
- Allotment (Bonus Issue) (17th March, 2018) (9:1)	60,75,000	-	-	-	-
B. Total Number of equity shares outstanding at the end of the year	67,50,000	6,75,000	6,75,000	6,75,000	6,75,000
C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	67,50,000	67,50,000	67,50,000	67,50,000	67,50,000
D. Net profit after tax available for equity shareholders (as restated)	222.41	181.04	195.05	209.63	213.36
E. Basic and Diluted earnings per share (₹) (D/C)	3.29	2.68	2.89	3.11	3.16

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of trade payables, trade receivables, loans and advances, other current & other non-current assets are unsecured and considered as good are subject to confirmations of respective parties concerned.

11. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

(a) Defined Benefit Plan (Gratuity)

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
	₹	₹	₹	₹	₹
1. The amounts recognized in the Balance Sheet are as follows:					
Present value of unfunded obligations recognized	11.53	14.11	10.87	8.85	8.32
Net Liability	11.53	14.11	10.87	8.85	8.32
2. The amounts recognized in the Profit & Loss A/c are as follows:					
Current Service Cost	0.92	1.03	0.87	0.80	0.92
Interest on Defined Benefit Obligation	1.09	0.80	0.68	0.67	0.78
Net Actuarial Losses / (Gains) Recognized in Year	(4.58)	1.42	0.47	(0.93)	(2.05)
Past Service Cost	-	-	-	-	-
Total, Included in "Salaries, allowances & welfare"	-	-	-	-	-
	(2.58)	3.25	2.02	0.53	(0.36)
3. Changes in the present value of defined benefit obligation:					
Defined benefit obligation as at the beginning of the year/period	14.11	10.87	8.85	8.32	8.67
Service cost	0.92	1.03	0.87	0.80	0.92
Interest cost	1.09	0.80	0.68	0.67	0.78
Actuarial Losses/(Gains)	(4.58)	1.42	0.47	(0.93)	(2.05)
Past Service Cost	-	-	-	-	-
Defined benefit obligation as at the end of the year/period	11.53	14.11	10.87	8.85	8.32
Current / Non-Current Liability					
Current Liability (classified as Short Term Provision)	1.08	1.10	0.97	0.88	0.79

Non-Current Liability (classified as Long Term Provision)	10.45	13.02	9.90	7.97	7.53
	11.53	14.11	10.87	8.85	8.32
Benefit Description					
Benefit Type					
Retirement Age:	60 Years	60 Years	60 Years	60 Years	60 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years
The principal actuarial assumptions for the above are:					
Future Salary Rise:	6.60% p.a.	6.50% p.a.	6.50% p.a.	6.50% p.a.	6.50% p.a.
Discount rate per annum:	7.70% p.a.	7.40% p.a.	7.70% p.a.	8.00% p.a.	9.00% p.a.
Withdrawal Rate: (Per Annum)	5% at younger ages and reducing to 1% at older ages according to graduated scale				
Mortality Rate:	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate

(b) Defined Contribution Plan

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme and also with Regional Employees State Insurance Corporation. Contributions to Provident Fund, Employees State Insurance and Labour Welfare Fund are included under head Employee Benefit Expenses in the Statement of profit and loss.

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Employees Provident Fund (EPF)	571.87	483.81	327.12	306.40	290.80
Contribution Employees Provident Fund (ESIC)	135.78	75.90	38.98	-	-
Contribution Labour Welfare Fund	0.48	0.48	0.47	-	-

12. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

14. Amounts in the Financial Statements

Amounts in the financial statements are rounded off to nearest lac rupees. Figures in brackets indicate negative values.

15. Previous year's figures

Schedule III has become effective from 1st April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures for the year ended March 31, 2014 wherever dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.

16. Leases

Operating Lease

Operating leases are mainly in the nature of godown rent, room rent, rent for equipments, etc. with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

Lease payments recognized in statement of profit & loss:

(Amt. ₹ In Lakh)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Lease Rentals Paid / Provided for	1.30	4.92	11.87	-	0.16

17. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of Adjustments in the Financial Statements:

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	217.91	176.62	192.89	210.40	213.97
Adjustment on Account of :					
1. Add / (Less) : Adjustment of Gratuity Provision	14.11	(3.25)	(2.02)	(0.53)	0.36
2. Add / (Less) : Adjustment of Deferred Tax Provision	(4.67)	1.07	3.34	0.03	(1.14)
3. Add / (Less) : Adjustment of Rent Income	-	-	-	0.45	0.63
4. Add / (Less) : Adjustment of Income Tax AY 12-13	0.50	-	-	(0.50)	-
5. Add / (Less) : Adjustment of Shares Investment	(3.14)	-	-		-
6. Add / (Less) : 50% Interest portion on business loan being	(9.86)	9.86	-	-	-
7. Adjustment of IT Provision	7.55	(3.26)	0.84	(0.22)	(0.45)
Total (B)	4.50	4.43	2.16	(0.77)	(0.61)
Net Profit as Restated (A+B)	222.41	181.04	195.05	209.63	213.36

NOTE ON RESTATEMENTS:-

1. Provision for Gratuity

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.

2. Adjustment of Deferred Tax Provision & Adjustment to Opening Reserves

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being restated unpaid gratuity, as the same has not been worked out in the books of accounts of the company. However, the same has been provided for in the year ended 31st March, 2018.

Deferred Tax Liability / (Assets) as on 31st March, 2013 has not been worked out in the books of accounts of the company and the same has been adjusted in the opening reserves as on 1st April 2013

Shares in Apna Sahakari Bank Ltd actually of ₹ 5 Lacs as on 1st April, 2013 whereas the same has been recorded in the books of accounts at ₹1,85,875/-. The investments has been restated in the restated financial statements at ₹ 5 Lacs and balance amount of ₹3,14,125/- has been adjusted in the opening reserves. However, the same has also been duly booked by the company in FY 17-18 by way of prior period adjustment.

Restated Opening Reserves after considering adjustment as per point no. 1 & 2 above are as follows:

Particulars	Amount (₹ in Lakh)
Securities Premium Account	
Balance as per last financial statements	131.25
Surplus in Statement of Profit & Loss	
Balance as per last financial statements	620.03
Add : Deferred Tax Adjustment as at 31st March, 2013	1.37
(Less) : Income Tax Adjustment as on 31st March, 2013	(0.17)
(Less) : Gratuity Provision as at 31st March, 2013	(8.67)
Add : Shares of Apna Sahakari Bank Ltd.	3.14
Total Adjustments to Opening Reserves	(4.33)
Surplus in Statement of Profit & Loss (Restated) Opening 1st April, 2013	615.70
Total Opening Reserves (Restated)	746.95

3. Adjustment of Rent Income

Adjustment of Rent Income is on account of reason that the rent income was booked net of TDS in the audited financial statements whereas the same is grossed up in the restated financial statements.

4. Adjustment of Income Tax AY 12-13

Adjustment of Income Tax AY 12-13 is on account of income tax paid in response to an intimation received from Income Tax Department and tax paid duly paid against the same, which is debited as tax adjustment of prior years in restated financial statements instead of long term advances as per audited financial statements.

5. Adjustment of Share Investment

Adjustment of Share Investment is on account of the reason being Shares in Apna Sahakari Bank Ltd actually of ₹ 5 Lakh as on 1st April, 2013 whereas the same has been recorded in the books of accounts at ₹ 1,85,875/-. The investments has been restated in the restated financial statements at ₹ 5 Lacs and balance amount of ₹ 3,14,125/- has been adjusted in the opening reserves. However, the same has also been duly booked by the company in FY 17-18 by way of prior period adjustment.

6. Interest on Business Loan 50%

Adjustment of interest on business loan is on account of interest on business loan in joint name of the company and director being utilized equally, but entire interest being debited in the books of accounts of the company in FY 16-17 has been restated @ 50% only, which is duly treated as prior period income in the books of accounts in FY 17-18.

7. Adjustment of IT Provision

Adjustment of IT Provision is on account of restated taxable income arrived at after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

18. Material Regrouping in Restated Financial Statements

Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended) The following tables signify material regroupings carried out in restated financial statements:

Table 1: Reconciliation of Long Term Borrowings

1.) Current Maturity of Long Term Debts restated under Other Current Liabilities.

2.) Payments made from term loan account at the time of initial disbursement was wrongly recorded in books of accounts which is correctly restated in the restated financial statements and the same has been duly recorded in the books of accounts in FY 17-18.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Long Term Borrowings as per AFS	1,217.13	840.01	717.71	441.15	424.33
Current Maturity of Long Term Debt	(367.08)	(159.06)	(272.53)	(317.52)	(199.60)
Payment from Term Loan	-	(5.88)	(5.88)	(5.88)	(5.88)
Long Term Borrowings as Restated	850.04	675.07	439.30	117.75	218.85

Table 2: Reconciliation of Long Term Provisions

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Long Term Provisions as per AFS	10.45	-	-	-	-
Gratuity Provision (Long Term Portion as per Actuarial Valuation Report)	-	13.02	9.90	7.97	7.53
Long Term Provisions as Restated	10.45	13.02	9.90	7.97	7.53

Table 3: Reconciliation of Short Term Borrowings

Interest accrued but not due on short term borrowings restated under Other Current Liabilities.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Short Term Borrowings as per AFS	1,498.98	1,390.38	1,399.03	1,417.62	1,397.14
Interest accrued but not due	-	(13.88)	-	(14.16)	-
Long Term Borrowings as Restated	1,498.98	1,376.50	1,399.03	1,403.45	1,397.14

Table 4: Reconciliation of Trade Payables

- 1.) Advances to Suppliers restated under Short Term Loans & Advances instead of netting off under Trade Payables.
- 2.) Excess amount of rent received restated under other payables under current liabilities instead of trade payables as per Audited Financial Statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Trade Payables as per AFS	164.93	50.13	24.26	61.60	61.18
Advances to Suppliers	0.41	-	-	-	-
Rent Received in Advance	(0.01)	-	-	-	-
Trade Payables as Restated	165.33	50.13	24.26	61.60	61.18

Table 5: Reconciliation of Other Current Liabilities

- 1) Current Maturity of Long Term Debts restated under Other Current Liabilities instead of Short Term Borrowings as per Audited Financial Statements (AFS)
- 2) Provision for salary, wages & telephone exps .restated under short term provisions instead of Other Current Liabilities as per Audited Fin Statements.
- 3) Security Deposits restated under Other Current Liabilities
- 4) Interest accrued but not due restated under Other Current Liabilities
- 5) Excess amount of rent received restated under other payables instead of trade payables as per Audited Financial Statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Current Liabilities as per AFS	342.54	62.74	65.06	69.19	310.35
Current Maturity of Long Term Debt	367.08	159.06	272.53	317.52	199.60
Provision for Salary & Wages	-	-	-	-	(235.44)
Security Deposits	-	-	-	-	9.00
Interest accrued but not due	-	13.88	-	14.16	-
Rent Received in Advance	0.01	-	-	-	-
Other Current Liabilities as Restated	709.63	235.68	337.59	400.88	283.51

Table 6: Reconciliation of Short Term Provisions

- 1) Closing Gratuity Provision (short term portion) restated under Short Term Provision as per Actuarial Valuation Report .
- 2) Difference in Income Tax Provision (Restated) and as per Audited Financial Statements (AFS)
- 3) Income Tax Provision related to earlier years adjusted against advance tax and TDS during FY 13-14
- 4) Salary Payable restated under Short Term Provisions instead of Other Current Liabilities instead of Other Current Liabilities as per Audited Financial Statements (AFS)

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Short Term Provisions as per AFS	173.90	86.71	92.86	98.62	279.55
Gratuity Provision (Short Term Portion as per Actuarial Valuation Report)	-	1.10	0.97	0.88	0.79
Diff in IT Provision	(4.29)	3.26	0.00	0.84	0.62
Income Tax Provision related to earlier years adjusted against advance tax and TDS	(86.71)	-	-	-	(180.26)
Salary Payable	-	-	-	-	235.44
Short Term Provisions as Restated	82.90	91.06	93.84	100.34	336.14

Table 7: Reconciliation of Deferred Tax Liabilities / (Assets)

Deferred Tax Assets Restated on account of DTA on closing balances of gratuity as per actuarial valuation report.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Deferred Tax Liabilities / (Assets) as per AFS	6.07	10.10	9.24	2.76	(0.10)
DTA provision on Opening Balance	-	-	-	-	(1.37)
Difference in deferred tax provision during the year	-	(1.07)	(3.34)	(0.03)	1.14
DTA provision related to earlier years	-	(3.59)	(0.25)	(0.22)	-
Deferred Tax Assets as Restated	6.07	5.43	5.64	2.51	(0.32)

Table 8: Reconciliation of Non-Current Investments

Shares in Apna Sahakari Bank Ltd actually of ₹5 Lacs as on 1st April, 2013 whereas the same has been recorded in the books of accounts at ₹1,85,875/-. The investments has been restated in the restated financial statements at ₹ 5 Lacs and balance amount of ₹3,14,125/- has been adjusted in the opening reserves. However, the same has also been duly booked by the company in FY 17-18 by way of prior period adjustment.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Investments as per AFS	5.00	1.86	1.86	1.86	1.86
Adjustment in Opening Reserves	-	3.14	3.14	3.14	3.14
Investments as Restated	5.00	5.00	5.00	5.00	5.00

Table 9 : Reconciliation of Long Term Loans & Advances

- 1.) TDS Receivable restated under Short Term Loans & Advances instead of Long Term Loans & Advances as per Audited Financial Statements.
- 2.) Advances given restated under Short Term Loans & Advances instead of Long Term Loans & Advances as per Audited Financial Statements.
- 3.) Security Deposits received restated under Other Current Liabilities instead of Long Term Loans & Advances as per Audited Financial Statements.
- 4.) Income Tax for AY 12-13 paid during FY 14-15 in response to an intimation received from Income Tax Department restated as tax adjustments of Prior Year which was grouped under Long Term Loans & Advances as per Audited Financial Statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Long Term Loans & Advances as per AFS	481.15	530.49	591.50	460.30	676.70
TDS Receivable	(2.55)	(89.26)	(95.41)	(101.60)	(283.17)
Advances Given	-	-	-	-	(49.97)
Security Deposits Received	-	-	-	-	8.19
Income Tax Paid AY 12-13 (As per Intimation)	-	(0.50)	(0.50)	(0.50)	-
Long Term Loans & Advances as Restated	478.60	440.73	495.59	358.20	351.74

Table 10 : Trade Receivables

1.) Advances given restated under Short Term Loans & Advances instead of trade receivables as per Audited Financial Statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Trade Receivables as per AFS	2,999.28	2,689.60	2,397.72	2,138.39	1,851.36
Advances Given	-	-	-	-	(84.22)
Trade Receivables as Restated	2,999.28	2,689.60	2,397.72	2,138.39	1,767.14

Table 11 : Reconciliation of Short Term Loans & Advances

1.) TDS Receivable relating to earlier year adjusted against income tax provision and only net refund receivable shown in restated and TDS for the respective current year restated under Short Term Loans & Advances instead of Long Term Loans & Advances as per Audited Financial Statements.

2.) Advances given restated under Short Term Loans & Advances instead of Long Term Loans & Advances as per Audited Financial Statements.

3.) Site Advances given restated under Short Term Loans & Advances instead of Other Current Assets as per Audited Financial Statements.

4.) Advances to Suppliers restated under Short Term Loans & Advances instead of netting off under Trade Payables.

5.) Payments made from term loan account at the time of initial disbursement was wrongly recorded in books of accounts which is correctly restated in the restated financial statements and the same has been duly recorded in the books of accounts in FY 17-18.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Short Term Loans & Advances as per AFS	182.35	-	-	-	473.98
TDS / IT Refund Receivable	(84.16)	89.26	95.41	101.60	102.91
Advances Given	-	-	-	-	134.20
Site Advances	1,203.24	540.98	257.38	167.07	-
Payment from Term Loan	-	(5.88)	(5.88)	(5.88)	(5.88)
Advances to Suppliers	0.41	-	-	-	-
Short Term Loans & Advances as Restated	1,301.83	624.36	346.92	262.80	705.21

Table 12 : Other Current Assets

1.) Rent Receivable actual and rent receivable on account of grossing up of rent income restated under other current assets.

2.) Site Advances given restated under Short Term Loans & Advances instead of Other Current Assets as per Audited Financial Statements.

3.) Share Issue Expenses restated under Other Current Assets instead of Misc. Exps. as per Audited Financial Statements.

4.) 50% of the Interest on Business loan from Deutsche Bank receivable from Director being joint applicant along with the company, being reduced from finance cost in FY 16-17 in restated financial statements, which is duly treated as prior period income by the company in books of accounts in FY 17-18.

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Current Assets as per AFS	1,203.24	531.12	257.38	169.84	-
Rent Receivable	1.08	1.08	1.08	1.08	1.44
Site Advances	(1,203.24)	(540.98)	(257.38)	(167.07)	-
Share Issue Expenses	10.76	-	-	-	-
Interest on Business Loan in joint name.	-	9.86	-	-	-
Other Current Assets as Restated	11.83	1.08	1.08	3.84	1.44

Table 13: Revenue from Sale of Services

Revenue from Sale of Services shown net of Service Tax / Goods & Service Tax in restated financial statements in uniformity with presentation aspect as per Schedule III requirements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from Sale of Services as per AFS	4,993.21	4,533.38	4,511.52	4,633.46	4,625.43
Service Tax / Goods & Service Tax	(494.20)	(54.78)	(28.97)	(36.89)	(38.40)
Revenue from Sale of Services as Restated	4,499.00	4,478.60	4,482.55	4,596.57	4,587.04

Table 14: Reconciliation of Other Income

Rent Income was booked inclusive of Service Tax and net of TDS in the audited financial statements whereas the same is restated at actual rent income exclusive of service tax and grossed up by TDS in the restated financial statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Income as per Audited Financial Statements	9.45	9.47	16.36	16.36	10.33
Rent Income Grossed up by TDS and shown exclusive of service tax.	-	-	(0.47)	(0.71)	(0.06)
Other Income as Restated	9.45	9.47	15.89	15.65	10.27

Table 15: Reconciliation of Cost of Materials Consumed

1.) Cost of Materials, components, spares and such other items procured and utilized so as to facilitate provision of services are being considered as operating cost in other expenses under restated financial statements instead of Cost of Materials consumed as per Audited Financial Statements.

2.) Consumption of Materials, Components & Spares shown net of input GST credit in restated financial statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Cost of Materials consumed as per Audited Financial Statements	347.24	642.72	654.24	203.35	84.09
Input GST on Purchases	(21.60)				
Rent Receivable	(325.64)	(642.72)	(654.24)	(203.35)	(84.09)
Cost of Materials Consumed as Restated	-	-	-	-	-

Table 16: Reconciliation of Employee Benefit Expenses

1.) The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.

2.) Directors Remuneration restated under Employment Cost instead of Other Expenses as per Audited Financial Statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Employee Benefit Exps. as per AFS	3,217.77	2,993.56	2,935.91	3,107.84	2,920.94
Gratuity Provision made in respective years in Restated Financial Statements	-	3.25	2.02	0.53	(0.36)
Directors Remuneration	24.00	24.00	24.00	24.00	4.00
Employee Ben Exps. Restated	3,241.77	3,020.81	2,961.93	3,132.36	2,924.58

Table 17 : Reconciliation of Other Expenses

- 1.) Cost of Materials, components, spares and such other items procured and utilized so as to facilitate provision of services are being considered as operating cost in other expenses under restated financial statements instead of Cost of Materials consumed as per Audited Financial Statements.
- 2.) Bank Charges restated under Finance Cost instead of Other Expenses as per Audited Financial Statements.
- 3.) Directors Remuneration restated under Employment Cost instead of Other Expenses as per Audited Financial Statements.
- 4.) Service Tax / Goods & Service Tax on Sale of Services netted off against Revenue from Sale of Services which is debited in other expenses as per Audited Financial Statements.
- 5.) Commission on Sales restated under Other Expenses instead of Finance Cost as per Audited Financial Statements.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Expenses as per AFS	731.01	328.40	340.05	750.57	1,050.28
Cost of Materials	325.64	642.72	654.24	203.35	84.09
Bank Charges	-	(26.92)	(21.85)	(20.14)	(28.54)
Directors Remuneration	(24.00)	(24.00)	(24.00)	(24.00)	(4.00)
Service Tax / Goods & Service Tax	(472.77)	(54.78)	(29.44)	(38.05)	(39.09)
Commission on Sales	6.78	-	-	-	-
Other Exps. as Restated	566.66	865.42	919.00	871.74	1,062.74

Table 18 : Reconciliation of Finance Cost

- 1.) Bank Charges restated under Finance Cost instead of Other Expenses as per Audited Financial Statements.
- 2.) Commission on Sales restated under Other Expenses instead of Finance Cost as per Audited Financial Statements.
- 3.) 50% of the Interest on Business loan from Deutsche Bank receivable from Director being joint applicant along with the company, being reduced from finance cost in FY 16-17 in restated financial statements, which is duly treated as prior period income by the company in books of accounts in FY 17-18.

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Finance Cost as per AFS	380.82	286.13	285.86	254.06	237.41
Bank Charges	-	26.92	21.85	20.14	28.54
Commission on Sales	(6.78)	-	-	-	-
Interest on Business Loan in joint name.	-	(9.86)	-	-	-
Finance Cost as Restated	374.04	303.20	307.71	274.20	265.96

Table 19: Reconciliation of Reserves & Surplus

- 1.) Opening Provision for Deferred Tax Liabilities, Gratuity Provision, Adjustment to Shares Investment and Income Tax Adjustment as on 1st April 2013 created as per Point No. 17(2) Above.
- 2.) Year Wise Changes on account of Material Adjustments as per Point No. 17 Above

(Amt. ₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Reserves & Surplus as per AFS	1,155.57	1,545.16	1,368.54	1,175.65	965.26
Opening Deferred Tax Provision (Restated)	-	-	-	-	(4.33)
Material Adjustments Year Wise (Refer Point No. 17)	4.50	4.43	2.16	(0.77)	(0.61)
Impact of Material Adjustments of Earlier Years	0.87	(3.55)	(5.72)	(4.94)	-
Reserves & Surplus as Restated	1,160.95	1,546.03	1,364.99	1,169.94	960.31

The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively

ANNEXURE – A

STATEMENT OF SHARE CAPITAL

(Amt. ₹ in Lakh)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Share Capital					
Authorized Share Capital					
Equity shares of ₹ 10 each	1,20,00,000	7,50,000	7,50,000	7,50,000	7,50,000
Share Capital (Amt. ₹ in Lakh)	1,200.00	75.00	75.00	75.00	75.00
Issued, Subscribed and Paid up Share Capital					
Equity Shares of ₹ 10 each fully paid up	67,50,000	6,75,000	6,75,000	6,75,000	6,75,000
Share Capital (Amt. ₹ in Lakh)	675.00	67.50	67.50	67.50	67.50
Total	675.00	67.50	67.50	67.50	67.50

Reconciliation of Number of Shares outstanding at the beginning and at the end of the reporting period

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Equity Shares					
Shares outstanding at the beginning of the year	6,75,000	6,75,000	6,75,000	6,75,000	6,75,000
Shares Issued during the year	60,75,000	-	-	-	-
Shares bought back during the year	-	-	-	-	-
Shares outstanding at the end of the year	67,50,000	6,75,000	6,75,000	6,75,000	6,75,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	31-03-18		31-03-17		31-03-16		31-03-15		31-03-14	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ravindra Hegde	58,04,785	85.997%	5,80,500	86.00%	5,80,500	86.00%	5,80,500	86.00%	5,80,500	86.00%
Sujata Hedge	9,45,000	14.000%	94,500	14.00%	94,500	14.00%	94,500	14.00%	94,500	14.00%
	67,49,785		6,75,000		6,75,000		6,75,000		6,75,000	

Shares issued other than cash, bonus issue and shares bought back

Particulars	For the Year				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	60,75,000	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
Unpaid Calls	31-03-18	31-03-17			
By Directors	Nil	Nil			
By others	Nil	Nil			

Notes:

1. Increase in Authorized Capital

The Company's Authorized Share Capital was ₹ 75 Lacs comprising of 7,50,000 Equity Shares of ₹ 10/- each. The Company has increased its authorized share capital by passing resolution for increase in its authorized capital from ₹ 75 Lacs comprising of 7,50,000 Equity shares of ₹ 10/- each to ₹ 1200 Lacs comprising of 1,20,00,000 Equity Shares of ₹ 10/- each, in Extra – Ordinary general meeting held on March 19, 2018..

2. Issue of Bonus Shares

The Company issued 60,75,000 Equity Shares as fully paid up Bonus Shares in the ratio of 9:1 by capitalization of Securities Premium and Reserves & Surplus and allotment done on March 23rd, 2018.

3. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
5. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE – B

RESTATED STATEMENT OF RESERVES AND SURPLUS

(Amt. ₹ in Lakh)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	₹	₹	₹	₹	₹
Securities Premium Account					
Opening Balance	131.25	131.25	131.25	131.25	131.25
Add: Premium on shares issued during the year					
Less : Utilized for Bonus Issue	(131.25)	-	-	-	-
Closing Balance (A)	-	131.25	131.25	131.25	131.25
Surplus in Statement of Profit & Loss					
Opening Balance	1,414.78	1,233.74	1,038.69	829.06	615.70
Add : Profit for the year	222.41	181.04	195.05	209.63	213.36
Less : Utilized for Bonus Issue	(476.25)				
Closing Balance (B)	1,160.95	1,414.78	1,233.74	1,038.69	829.06
TOTAL	1,160.95	1,546.03	1,364.99	1,169.94	960.31

Notes:

1. Company does not have any Revaluation Reserve.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-C

RESTATED STATEMENT OF LONG TERM BORROWINGS

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	₹	₹	₹	₹	₹
Long Term Borrowings					
Term Loans and Vehicle Loans					
From Banks & Financial Institutions	850.04	675.07	439.30	117.75	218.85
TOTAL	850.04	675.07	439.30	117.75	218.85
Current portion of long-term borrowings, included under Other Current Liabilities	367.08	159.06	272.53	317.52	199.60
TOTAL LONG-TERM BORROWINGS	1,217.13	834.13	711.83	435.27	418.46
The above amount includes:					
Secured Borrowings	721.35	687.23	409.86	71.60	110.83
Unsecured Borrowings	495.78	146.91	301.97	363.67	307.63
TOTAL	1,217.13	834.13	711.83	435.27	418.46

Notes:

- The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Annexure-CF1 and CF -2 respectively.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-CF1

RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

A. Working Capital Facilities & Term Loans from Banks

(Amt. ₹ in Lakh)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
							31-03-18	31-03-17
Secured Borrowings								
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	1350.00	12.00% p.a.	Primary Security : Hypothecation of Stock & Book Debts Collateral Security : As per Note 1 Personal Guarantee : As per Note 2	On Demand	NA	1,368.46	1,252.21

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
Secured Borrowings							31-03-18	31-03-17
Deutsche Bank AG	Working Capital (Cash Credit)	137.50	10.55% p.a.	Security : As per Note 3 Guarantee : As per Note 4	On Demand	NA	130.51	138.17
Small Industries Development Bank Of India (SIDBI)	Business Loan in form of Optionally Convertible Subordinate Debt (OCSD)	300.00	15.50% p.a.	Security : As per Note 5 Guarantee : As per Note 6	48 EMIs of ₹ 6.25 Lacs each commencing after 36 Months from the date of first disbursement i.e. June '15	36 Months	300.00	273.35
Apna Sahakari Bank Ltd.	Business Loan (Loan Against Property)	100.00	12.00% p.a.	As per Note 7	120 EMIs of ₹1.45 Lacs each	Nil	87.75	94.36
	Business Loan (Loan Against Machineries)	100.00	12.00% p.a.	As per Note 8	84 EMIs of ₹ 1.11 Lacs each	Nil	15.91	26.74
	Business Loan (Loan Against Machineries)	19.00	12.00% p.a.	As per Note 9	48 EMIs of ₹ 0.43 Lacs each	Nil	13.76	-
	Business Loan (Loan Against Property)	150.00	12.00% p.a.	As per Note 10	60 EMIs of ₹ 3.36 Lacs each	Nil	106.24	132.43
	Business Loan (Loan Against Property)	50.00	12.00% p.a.	As per Note 11	60 EMIs of ₹ 1.125 Lacs each	Nil	46.18	-
Deutsche Bank AG	Business Loan (Loan Against Property)	206.00	10.50% p.a.	As per Note 12	180 EMIs of ₹ 2.28 Lacs each	Nil	93.60	100.67

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
Secured Borrowings							31-03-18	31-03-17
PNB Housing Finance Ltd.	Business Loan (Loan Against Property)	60.50	11.00% p.a.	As per Note 13	180 EMIs of ₹ 0.69 Lacs each commencing from Oct.' 16	1 Month	57.91	59.68

* The Company has also got sanctioned a working capital demand loan of ₹ 300.00 Lakh in the month of June 18, but the same has not been utilized till date.

Notes:

Apna Sahakari Bank Ltd. - Cash Credit ₹1350.00 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 ₹ 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) ₹ 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 ₹ 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
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Apna Sahakari Bank Ltd. – Loan against Machineries ₹ 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 ₹ 19.00 Lacs

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

Apna Sahakari Bank Ltd. – Loan against Property ₹ 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 ₹ 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 ₹ 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 ₹ 60.50 Lacs

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

ANNEXURE-CF2

STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

Details of Unsecured Loans outstanding as at the end of the respective periods from Banks & Financial Institutions.

Unsecured Loans from Banks are generally at @ 15.50% p.a. to 18.50% p.a. interest rate

Unsecured Loans from Financial Institutions are generally at @ 11.50% p.a. to 24.00% p.a. interest rate

Loans are long term in nature.

(Amt. ₹ in Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
From Banks	110.67	50.99	82.54	143.16	140.71
From Financial Institutions	385.12	95.92	219.43	220.51	166.92
TOTAL	495.78	146.91	301.97	363.67	307.63

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-D

RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt. ₹ In Lakh)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Opening Balance (A)					
Opening Balance of Deferred Tax (Asset) / Liability	5.43	5.64	2.51	(0.32)	1.62
Total (A)	5.43	5.64	2.51	(0.32)	1.62
Closing Balances (B)					
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	9.24	10.10	9.24	5.38	2.38
(DTA) / DTL on account of gratuity provision	(3.18)	(4.67)	(3.59)	(2.87)	(2.70)
Closing Balance of Deferred Tax (Asset) / Liability (B)	6.07	5.43	5.64	2.51	(0.32)
Current Year Provision (B-A)	0.63	(0.21)	3.14	2.83	(1.94)

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-E

RESTATED STATEMENT OF LONG-TERM PROVISIONS

(Amt. ₹ in Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Provision for Gratuity (unfunded)	10.45	13.02	9.90	7.97	7.53
TOTAL	10.45	13.02	9.90	7.97	7.53

Notes:

- The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-F

RESTATED STATEMENT OF SHORT TERM BORROWINGS

(Amt. ₹ in Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Short Term Borrowings					
Working Capital Facilities	1,498.98	1,376.50	1,399.03	1,403.45	1,397.14
TOTAL	1,498.98	1,376.50	1,399.03	1,403.45	1,397.14
Interest accrued but not due, included under Other current liabilities (short-term borrowings)	-	13.88	-	14.16	-
TOTAL SHORT-TERM	1,498.98	1,390.38	1,399.03	1,417.62	1,397.14
The above amount includes:					
Secured Borrowings	1,498.98	1,390.38	1,399.03	1,417.62	1,397.14
Unsecured Borrowings	-	-	-	-	-
TOTAL	1,498.98	1,390.38	1,399.03	1,417.62	1,397.14

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Annexure-CF1 and CF -2 respectively.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-G

RESTATED STATEMENT OF TRADE PAYABLES

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Trade Payables					
For Goods & Expenses - Micro, Small & Medium Enterprises	-	-	-	-	-
For Goods & Expenses - Others	165.33	50.13	24.26	61.60	61.18
TOTAL	165.33	50.13	24.26	61.60	61.18
Of Above, Due Payable to Related Parties					
Payables to Directors / Entities significantly influenced by directors and/or by their relatives	-	-	-	-	-

Notes:

1. As per the information furnished by the company, there are no Micro, Small & Medium Enterprises, to whom the Company owes dues and which are outstanding as the respective year end and the same has been relied upon by us.

KHFM Hospitality and Facility Management Services Limited

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-H

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Current maturities of long-term borrowings					
From Banks & Financial Institutions	367.08	159.06	272.53	317.52	199.60
Duties & Taxes / Statutory Liabilities	339.54	62.74	59.66	66.49	74.91
Interest accrued but not due (Short Term Borrowings)	-	13.88	-	14.16	-
Security Deposits	3.00	-	5.40	2.70	9.00
Other Payables	0.01	-	-	-	-
TOTAL	709.63	235.68	337.59	400.88	283.51

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-I

RESTATED STATEMENT OF SHORT-TERM PROVISIONS

(Amt. ₹ in Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Provisions :					
For Income Tax (Current)	81.81	89.97	92.86	98.82	99.91
Provision for Salary	-	-	-	-	235.03
Provision for Employee Benefits (Gratuity Provision - Short Term)	1.08	1.10	0.97	0.88	0.79
Provision for Expenses	-	-	-	0.64	0.41
TOTAL	82.90	91.06	93.84	100.34	336.14

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-J

RESTATED STATEMENT OF FIXED ASSETS

(Amt. ₹ in Lakh)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Property, Plant & Equipment (PPE)					
<u>Buildings</u>					
Office Premises	72.05	75.84	77.59	79.33	81.09
<u>Equipments</u>					
Equipments	135.09	135.97	154.18	132.78	144.87
<u>Vehicles</u>					
Vehicles	1.74	2.35	3.72	5.52	11.04
<u>Office Equipments and Furniture & Fixtures</u>					
Office Equipments	0.20	0.24	0.56	0.95	1.70
Furniture & Fixtures	2.23	2.72	3.99	0.62	1.00
<u>Computers & Softwares</u>					
Computers, Servers & Networks	1.09	0.46	0.93	0.37	0.74
Total Property, Plant & Equipment	212.41	217.58	240.97	219.58	240.45
Transferred to Retained Earnings/ Reserves					
Net Property, Plant & Equipment	212.41	217.58	240.97	219.58	240.45
Intangible Assets					
Total Intangible Assets	-	-	-	-	-
Capital Work-in-Progress					
Total Capital Work-in-Progress	-	-	-	-	-
Grand Total	212.41	217.58	240.97	219.58	240.45

Notes

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-K

RESTATED STATEMENT OF NON-CURRENT INVESTMENTS

(Amt. ₹ In Lakh)

Particulars	Shares	As at	Shares	As at	Shares	As at	Shares	As at	Shares	As at
	31-03-18	31-03-18	31-03-17	31-03-17	31-03-16	31-03-16	31-03-15	31-03-15	31-03-14	31-03-14
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Non Current Investments										
(Other Than Trade, at Cost)										

KHFM Hospitality and Facility Management Services Limited

Particulars	Shares	As at	Shares	As at	Shares	As at	Shares	As at	Shares	As at
	31-03-18	31-03-18	31-03-17	31-03-17	31-03-16	31-03-16	31-03-15	31-03-15	31-03-14	31-03-14
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Investment in Equity, Unquoted										
Shares of Apna Sahakari Bank Ltd. (Subsidiary Company)	20,000	5.00	20,000	5.00	20,000	5.00	20,000	5.00	20,000	5.00
TOTAL	20,000	5.00	20,000	5.00	20,000	5.00	20,000	5.00	20,000	5.00

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE- L

RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES

(Amt. ₹ in Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Security Deposits	478.60	440.73	495.59	358.20	351.74
TOTAL	478.60	440.73	495.59	358.20	351.74

Notes:

- None of the long term loans and advances as stated above are recoverable from Directors/ Promoters / Promoter group / Relatives of Directors / Group Company.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-M

RESTATED STATEMENT OF INVENTORIES

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Closing Inventories of					
Materials, Components & Spares	4.42	25.69	73.83	137.78	137.58
TOTAL	4.42	25.69	73.83	137.78	137.58

As taken, valued and certified by the management of the company.

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-N

RESTATED STATEMENT OF TRADE RECEIVABLES

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Outstanding for a period exceeding six months (Unsecured and considered Good)					
From Entities significantly influenced by directors and / or relatives	-	-	-	-	-
Others	474.57	311.51	269.56	302.76	168.84
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)					
From Directors / Entities significantly influenced by directors and / or relatives	-	-	-	-	-
Others	2,524.71	2,378.09	2,128.17	1,835.64	1,598.30
TOTAL	2,999.28	2,689.60	2,397.72	2,138.39	1,767.14

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.
- List of entities classified as 'Entities significantly influence by directors' has been determined by the Management and the same is being relied upon by the Auditors.

ANNEXURE-O

RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
a. Cash on Hand	59.14	17.07	50.94	51.14	108.16
b. Balances with Banks					
- In Current Accounts	86.83	39.32	129.98	155.21	15.12
TOTAL	145.97	56.39	180.93	206.35	123.29

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-P

RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amt. ₹ in Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Unsecured, Considered Good unless otherwise stated					
Advance Payment Against Taxes	98.18	89.26	95.41	101.60	102.91
Advance to Suppliers	0.41	-	-	-	-
Site Advances	869.99	237.63	251.51	161.20	468.10
Loans & Advance to Employees & Others	333.25	297.48	-	-	134.20
TOTAL	1,301.83	624.36	346.92	262.80	705.21
Of Above, Advances Recoverable From Related Parties					
Directors / Entities significantly influenced by Directors	-	-	-	-	129.20

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-Q

RESTATED STATEMENT OF OTHER CURRENT ASSETS

(Amt. ₹ In Lakh)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Interest Accrued on Fixed Deposits					
Rent Receivable	1.08	1.08	1.08	3.84	1.44
Share Issue Expenses (to the extent not written off)	10.76	-	-	-	-
TOTAL	11.83	1.08	1.08	3.84	1.44

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-R

RESTATED STATEMENT OF REVENUE FROM OPERATIONS
RESTATED STATEMENT OF REVENUE FROM SALE OF SERVICES

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Sale of Services	4,993.21	4,533.38	4,511.52	4,633.46	4,625.43
Less : Service Tax / Goods & Service Tax	494.20	54.78	28.97	36.89	38.40
Net Sale of Services	4,499.00	4,478.60	4,482.55	4,596.57	4,587.04

Notes:

1. The figures disclosed above are based on the restated summary statement of profit & loss of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-S

RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Amt. ₹ In Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Salary, Wages and Bonus (including directors' remuneration)	2,528.21	2,441.73	2,570.10	2,818.39	2,627.75
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	705.54	563.43	368.59	306.93	290.45
Staff Welfare Expenses	8.03	15.64	23.24	7.04	6.39
Total	3,241.77	3,020.81	2,961.93	3,132.36	2,924.58

Notes:

1. The figures disclosed above are based on the restated summary statement of profit & loss of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-T

RESTATED STATEMENT OF OTHER EXPENSES

(Amt. ₹ In Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
a. Operating Cost					
Consumption of Materials, Components & Spares	325.64	642.72	654.24	203.35	84.09
Consumption of Electric, Power and Fuel	5.18	7.78	8.08	12.68	10.99
Rent	1.30	4.92	11.87	-	0.16
Other Operating Expenses	135.14	136.87	104.34	462.71	843.21
Total (a)	467.26	792.29	778.53	678.74	938.44
b. Sales & Distribution Expenses					
Advertisement	4.00	7.07	3.37	3.05	2.65
Sales Promotion Expenses	-	0.51	4.20	-	-
Discount & Commission Expenses	6.78	-	-	88.69	3.87
Transportation, Packing & Forwarding Expenses	7.12	2.51	2.02	4.72	10.68
Other Selling & Distribution Expenses	-	-	-	-	-
Total (b)	17.90	10.09	9.59	96.46	17.20
c. General & Administration Expenses					
Rates & Taxes	0.34	3.69	15.15	6.34	29.37
Conveyance, Tour and Travelling Expenses	8.76	7.03	30.20	10.22	14.48
Legal & Professional Expenses	17.00	11.90	21.54	20.38	20.34
Insurance	18.62	1.00	12.01	11.45	7.18
General Administration Expenses	36.94	39.41	51.98	48.16	35.72
Total (c)	81.66	63.03	130.88	96.54	107.10
Total (a+b+c)	566.82	865.42	919.00	871.74	1,062.74

Notes:

1. The figures disclosed above are based on the restated summary statement of profit & loss of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-U

RESTATED STATEMENT OF FINANCE COSTS

(Amt. ₹ In Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Interest on Term Loans	146.28	122.67	117.13	79.81	64.69
Interest on Working Capital Facilities	157.31	153.61	168.73	174.24	172.72
Other Financial Charges	70.45	26.92	21.85	20.14	28.54
Total	374.04	303.20	307.71	274.20	265.96

Notes:

1. The figures disclosed above are based on the restated summary statement of profit & loss of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-V

RESTATED STATEMENT OF DEPRECIATION AND AMORTIZATION

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Depreciation as per Companies Act	24.22	27.17	19.59	22.77	32.86
Total	24.22	27.17	19.59	22.77	32.86

Notes:

1. The figures disclosed above are based on the restated summary statement of profit & loss of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-W

RESTATED STATEMENT OF CONTINGENT LIABILITIES

(Amt. ₹ In Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Service Tax Matters (under dispute) (Refer Note)	625.79	-	-	-	-
Guarantees given by bank on behalf of the Company	602.19	299.91	323.11	419.76	343.60
Total	1,227.98	299.91	323.11	419.76	343.60

Note : ₹ 625.79 Lacs service tax matters (under dispute) plus applicable interest and penalty.

Note:

The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-X

RESTATED STATEMENT OF RELATED PARTY TRANSACTION

1. Names of the related parties with whom transactions were carried out during the years and description of relationship:

1	Ravindra Hegde	-	Director (KMP)			
2	Sujata Hegde	-	Director (KMP)			
3	Kalpataru Pest Control Pvt Ltd	-	Entity significantly influenced by Directors			
4	Kalpataru's Pest Control	-	Entity significantly influenced by Directors			
5	Kalpataru's Enterprises	-	Entity significantly influenced by Directors			
6	Palemar Enterprises	-	Entity significantly influenced by Directors			

2. Transactions with Related Parties

Sr. No	Nature of Transactions	For the Year Ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
		₹	₹	₹	₹	₹
A	Transaction during the Year					
	Directors' Remuneration					
	Ravindra Hegde	12.00	12.00	12.00	12.00	2.50
	Sujata Hegde	12.00	12.00	12.00	12.00	1.50
	Advances Given					
	Ravindra Hegde	-	-	-	14.98	47.98
	Sujata Hegde	-	-	-	-	-
	Kalpataru's Pest Control	195.96	293.02	79.37	86.02	40.02
	Palemar Enterprises	123.51	67.20	-	4.81	14.25
	Advances Received back					
	Ravindra Hegde	-	-	-	27.73	78.80
	Sujata Hegde	-	-	-	-	-
	Kalpataru's Pest Control Pvt Ltd	-	147.24	-	5.49	-
	Kalpataru's Pest Control	195.96	-	47.30	60.56	38.55
	Palemar Enterprises	123.51	67.20	-	16.22	5.35
	Advances Received					
	Palemar Enterprises	-	2.42			
	Advances Repaid					
	Palemar Enterprises	-	2.42	-	-	-
	Purchases					
	Kalpataru's Pest Control	-	145.78	32.07	109.19	-
	Palemar Enterprises	-	-	-	20.82	-
B	Closing Balance Dr/(Cr)					
	For Directors' Remuneration, Advances Given					
	Ravindra Hegde (Salary)	-	-	-	-	(1.00)
	Sujata Hegde (Salary)	-	-	-	-	(0.25)
	Ravindra Hegde (Advances Given)	-	-	-	-	12.75
	Kalpataru Pest Control Pvt Ltd (Advances Given)	-	-	-	-	5.49
	Kalpataru's Pest Control (Advances Given)	-	-	-	-	78.73
	Palemar Enterprises (Advances Given)	-	-	-	-	32.22

ANNEXURE-Y

RESTATED CAPITALISATION STATEMENT

(Amt. ₹ in Lakh)

Particulars	Pre-Issue	Post-Issue *
	As on 31st March, 2018	
Debt		
Short Term Debt (Short Term Borrowings)	1,498.98	[●]
Long Term Debt (Long Term Borrowings)	1,217.13	[●]
Total Debt	2,716.10	[●]
Shareholders' Fund (Equity)		
Share Capital	675.00	[●]
Reserves & Surplus	1,160.95	[●]
Less: Miscellaneous Expenses not w/off	-	[●]
Total Shareholders' Fund (Equity)	1,835.95	[●]
Long Term Debt/Equity	0.66	[●]
Total Debt/Equity	1.48	[●]

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. The Company's Authorized Share Capital was ₹75 Lacs comprising of 7,50,000 Equity Shares of ₹ 10/- each. The Company has increased its authorized share capital by passing resolution for increase in its authorized capital from ₹75 Lacs comprising of 7,50,000 Equity shares of ₹ 10/- each to ₹ 1200 Lacs comprising of 1,20,00,000 Equity Shares of ₹ 10/- each, in Extra – Ordinary general meeting held on March 19, 2018.
2. The Company issued 60,75,000 Equity Shares as fully paid up Bonus Shares in the ratio of 9:1 by capitalization of Securities Premium and Reserves & Surplus and allotment done on March 23, 2018.
3. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
4. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
5. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.18.

ANNEXURE-Z

RESTATED SUMMARY OF MANDATORY ACCOUNTING RATIOS

(Amt ₹ in Lakh unless otherwise stated)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Face Value per equity Share (Amt. ₹ in Lacs)	10	10	10	10	10
(i) Earnings/ (losses) Per Share (Amt. ₹ in Lacs)					
- Basic and Diluted Earnings/ (losses) Per Share [a/b]	3.29	2.68	2.89	3.11	3.16
(ii) Return on Net Worth (in %) [a/d]	12.11%	11.22%	13.62%	16.94%	20.76%
(iii) Net Assets Value per Share (in ₹)					
- Restated Net Assets Value per Share (Amt. ₹ in Lacs) [d/c]	271.99	239.04	212.22	183.32	152.27
- Restated Net Assets Value per Share (Adjusted for Bonus Issue) (Amt. ₹ in Lacs) [d/c1]	27.20	23.90	21.22	18.33	15.23
(a) Net profit available for appropriation (as restated)	222.41	181.04	195.05	209.63	213.36
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Bonus Shares)	67,50,000	67,50,000	67,50,000	67,50,000	67,50,000
(c) No. of equity shares outstanding at the end of the year. (Pre-Bonus Issue)	6,75,000	6,75,000	6,75,000	6,75,000	6,75,000
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Bonus Shares)	67,50,000	67,50,000	67,50,000	67,50,000	67,50,000
(d) Net Worth as at the end of the period/year (as restated)	1,835.95	1,613.53	1,432.49	1,237.44	1,027.81

(Refer Note 5 for details of bonus issue)

Notes:

1. The above ratios are calculated as under:

- a) Basic and Diluted Earnings per Share =
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$
- b) Return on Net Worth (%) =
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$
- c) Net Asset Value Per Equity Share =
$$\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;

3. Earnings Per Share (EPS) calculations are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.

4. The figures disclosed above are based on the restated financial information of the Company.

5. The Company issued 60,75,000 Equity Shares as fully paid up Bonus Shares in the ratio of 9:1 by capitalization of Securities Premium and Reserves & Surplus and allotment done on March 23rd, 2018.

ANNEXURE-AA

RESTATED STATEMENT OF TAX SHELTER

(Amt. ₹ In Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Tax Computation as per normal tax provisions					
Restated Profit before tax	301.60	271.48	290.21	311.16	311.17
MAT rate including surcharge	20.39%	20.39%	20.39%	19.06%	19.06%
Normal Tax rate including surcharge for Regular Income	27.553%	33.063%	33.063%	32.45%	32.45%
Normal Tax on above	83.10	89.76	95.95	100.96	100.96
Adjustments:					
<i>Add : Disallowable / Exempt Incomes</i>					
Depreciation as per Companies Act	24.22	27.17	19.59	22.77	32.86
Provision for Gratuity	(2.58)	3.25	2.02	0.53	(0.36)
Donation debited in books of accounts	0.93	-	-	2.15	2.56
<i>Less : Allowables</i>					
Depreciation as per Income Tax Act	(27.22)	(29.78)	(30.95)	(32.02)	(37.02)
Donation allowable as per Income Tax Act	-	-	-	-	(1.28)
Total Adjustments	(4.66)	0.63	(9.34)	(6.58)	(3.23)
Tax expense/(saving) thereon	(1.28)	0.21	(3.09)	(2.13)	(1.05)
Tax Payable as per Normal Provisions (A)	81.81	89.97	92.86	98.82	99.91
Tax Computation as per MAT provisions					
Restated Book Profit before tax	301.60	271.48	290.21	311.16	311.17
MAT Tax on Above	61.49	55.35	59.17	59.29	59.29
Tax Payable as per MAT Provisions (B)	61.49	55.35	59.17	59.29	59.29
Gross Tax Payable (w.e.i. higher)	81.81	89.97	92.86	98.82	99.91

ANNEXURE-AB

RESTATED STATEMENT OF DIVIDEND DECLARED

(Amt. ₹ in Lakh)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Class of Shares					
Equity Share of ₹ 10 each	10	10	10	10	10
Rate of Dividend (%)					
Interim Dividend	Nil	Nil	Nil	Nil	Nil
Final Dividend	Nil	Nil	Nil	Nil	Nil

STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company utilises various credit facilities from banks and financial institutions for conducting its business. Following is a summary of our Company's outstanding borrowings as on July 31, 2018:

Sr. No.	Nature of Borrowing	Amount outstanding as on July 31, 2018 (₹ in lakh)
1.	Secured Borrowings	
	Fund based	2396.30
	Non Fund based	759.88
2.	Unsecured Borrowings	446.88
	Total	3603.06

A. Secured Borrowings - Term Loans / Business Loans from Bank & Financial Institutions

Set forth below is a summary of the outstanding secured borrowings of our Company as on July 31, 2018, together with a brief description of certain significant terms of such financing arrangements:

(Amount in ₹ lakh)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
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: As per Note 2	On Demand	NA	1557.10
Deutsche Bank AG	Working Capital (Overdraft)	137.50	10.55% p.a.	Security As per Note 3 Guarantee As per Note 4	On Demand	NA	135.19
Small Industries Development Bank of India (SIDBI)	Business Loan in form of Optionally Convertible Subordinate Debt (OCSD)	300.00	15.50% p.a.	Security As per Note 5 Guarantee As per Note 6	48 EMIs of ₹ 6.25 Lacs each commencing after 36 Months from the date of first disbursement <i>i.e.</i> June '15	36 Months	300.00
Apna Sahakari Bank Ltd.	Business Loan (Loan Against Property)	100.00	12.00% p.a.	As per Note 7	120 EMIs of ₹ 1.45 Lacs each	Nil	85.38
	Business Loan (Loan Against Machineries)	100.00	12.00%	As per Note 8	84 EMIs of ₹1.11 Lakh each	Nil	12.02
	Business Loan (Loan Against Machineries)	19.00	12.00%	As per Note 9	48 EMIs of ₹ 0.43 Lakh each	Nil	18.01
	Business Loan (Loan Against Property)	150.00	12.00%	As per Note 10	60 EMIs of ₹3.36 lakh each	Nil	96.79
	Business Loan (Loan Against Property)	50.00	12.00% p.a.	As per Note 11	60 EMIs of ₹1.125 Lakh each	Nil	43.45

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
Deutsche Bank AG	Business Loan (Loan Against Property)	206.00 Lakh	10.50% p.a.	As per Note 12	180 EMIs of ₹ 2.28 Lakh each	Nil	91.09
PNB Housing Finance Limited	Business Loan (Loan Against Property)	60.50 Lakh	11.00% p.a.	As per Note 13	180 EMIs of ₹ 0.69 Lakh each Commencing from Oct.' 16	1 Month	57.27

* The Company has also got sanctioned a working capital demand loan of ₹ 300.00 Lacs in the month of June 18, but the same has not been utilized till date.

Notes

Apna Sahakari Bank Ltd. - Cash Credit ₹1550.00 Lakh

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 ₹ 137.50 Lakh

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 (OCSB) ₹ 300.00 Lakh

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 ₹ 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 ₹ 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 ₹ 19.00 Lacs

9. Security

First and exclusive charge and security by way of hypothecation of machineries such as Eicher Tractors, Eicher Tractors Trolley, B.N.T. Plus.

Apna Sahakari Bank Ltd. – Loan against Property ₹ 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 ₹ 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 ₹ 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 ₹ 60.50 Lacs

13. Security

Registered Equitable Mortgage of Property bearing Flat No. 17, 1st Floor, D3 Green Fields Complex, Rocks End CHSL, JVLR Jogeshwari East, Mumbai Maharashtra, India 400060, held in the name of Mr. Ravindra Hegde.

B. Unsecured Loans

From Banks & Financial Institutions

(Amount in ₹ lakh)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Re-payment	Outstanding amount
Bajaj Finance Ltd.	Business Loan	25.00	19.50% p.a.	One EMI of ₹ 0.52 Lacs and 71 EMIs of ₹ 0.39 Lacs each	22.59
Bajaj Finserve	Business Loan	23.40	17.50% p.a.	48 EMIs of ₹ 0.68 Lacs each	9.12
Capital First Ltd.	Business Loan	20.40	11.88% p.a.	36 EMIs of ₹ 0.77 Lacs each	16.90
Capital Flot	Business Loan	30.05	20.01% p.a.	36 EMIs of ₹ 1.18 Lacs each	28.18
Deewan Housing Finance Corporation Ltd.	Business Loan	35.00	18.00% p.a.	35 EMIs of ₹ 1.26 Lacs each and last EMI of ₹ 1.25 Lacs	29.58
Deutsche Bank	Business Loan	50.00	12.75% p.a.	35 EMIs of ₹ 1.68 Lacs and last EMI of ₹ 1.82 Lacs	31.55
Edelweiss	Business Loan	40.10	18.00% p.a.	36 EMIs of ₹ 1.45 Lacs	36.63
Equitas Small Finance Bank Ltd.	Business Loan	30.00	18.00% p.a.	36 EMIs of ₹ 1.08 Lacs	25.35
HDFC Bank Ltd.	Business Loan	30.00	15.75% p.a.	36 EMIs of ₹ 1.05 Lacs	15.92
India Infoline Finance Ltd.	Business Loan	25.00	19.00% p.a.	18 EMIs of ₹ 1.61 Lacs	1.58
Visu Leasing & Finance Pvt. Ltd. (Incred)	Business Loan	20.00	18.52% p.a. (Floating)	12EMIs of ₹ 0.95 Lacs each 12 EMIs of ₹ 0.59 Lacs each 11 EMIs of ₹ 0.57 Lacs each 1 EMI of ₹ 0.56 Lacs	15.97

Name of Lender	Purpose	Sanction Amount	Rate of interest	Re-payment	Outstanding amount
IVL Finance Ltd. (Indiabulls)	Business Loan	30.30	18.00% p.a.	24 EMIs of ₹ 1.51 Lacs each	22.55
Indusind Bank	Business Loan	40.00	18.00% p.a.	36 EMIs of ₹ 1.45 Lacs each	33.79
Intel Cash Micro Finance Network Co. Pvt. Ltd.	Business Loan	25.00	18.00% p.a.	52 Weekly installments of ₹ 0.57 Lacs each	14.85
Kotak Mahindra Bank Ltd.	Business Loan	20.00	18.50% p.a.	36 EMIs of ₹ 0.73 Lacs each	16.85
Magma Finance	Business Loan	40.00	19.35% p.a.	24 EMIs of ₹ 2.02 Lacs each	29.87
Religare Finvest Pvt. Ltd.	Business Loan	33.00	17.00% p.a.	24 EMIs of ₹ 1.63 Lacs each	13.70
Shriram City Union Finance Ltd.	Business Loan	25.00	19.00% p.a.	36 EMIs of ₹ 0.92 Lacs each	21.75
TATA Capital Financial Services Ltd.	Business Loan	20.00	18.50% p.a.	24 EMIs of ₹ 1.00 Lacs	14.90
United Petro Finance Ltd.	Business Loan	40.00	24.00% p.a.	78 Weekly installments of ₹ 0.61 Lacs each	32.50
Urmila Investment & Securities Pvt. Ltd.	Business Loan	20.00	15.00% p.a.	18 EMIs of ₹ 1.36 Lacs each	12.75

Apart from above mentioned facilities, following are non-fund based facilities outstanding as on July 31, 2018

Secured – From Bank

(Amount in ₹ lakh)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Usance	Outstanding amount
Apna Sahakari Bank Ltd.	Bank Guarantee	785.00	11.50% p.a. to 12.00% p.a.	Primary Security: Hypothecation of Stock & Book Debts Collateral Security: As per Note 1 Personal Guarantee: As per Note 2	Tenor of BG Maximum of 36 Months from the date of sanction	759.88

Major Negative Covenants pertaining to all facilities

Apna Sahakari Bank Ltd.

- To close unsecured loans from banks and financial institutions.
- To keep submitted 3 blank cheques in favor of the bank.
- Not to create any third party charge / interest on the assets given as security to the bank without the Bank's prior written consent.
- If the company fails to avail the sanctioned facility within 3 months from the sanctioning date, the sanction of the said loan may be cancelled without any intimation to the company.
- The bank may revoke in Part and / or in full and / or withdraw / stop financing assistance at any stage without any notice or giving any reason or purpose whatsoever.

Deutsche Bank

- The Bank reserves the right to open and debit an overdraft / cash credit account linked to the Borrower's facility / operative account to fulfill any or all of its outstanding obligation to the Bank.

KHFM Hospitality and Facility Management Services Limited

2. Deutsche Bank to be the banker along with Apna Sahakari Bank Ltd and SBI and 25% of the business credits to be routed through current account maintained with Deutsche Bank AG.
3. NOC to be taken from the bank in case the company intends to maintain an account with any other bank and quarterly bank statements of all such accounts to be submitted by the 10th of the subsequent month.
4. Not to pay / give any consideration whether by way of commission, brokerage fees or any other form either directly or indirectly to the guarantors.

Small Industries Bank of India (SIDBI)

1. SIDBI shall have a right to convert its entire or a part of the OCSA assistance into equity capital in the borrower company, at its sole discretion, anytime during the currency of its assistance.
2. No pre-payment permitted during the moratorium period, thereafter the pre-payment shall be subject to a prepayment interest upto 3% on the amount prepaid.
3. The company shall not make any financial investment or extend loans to its subsidiary / associate concerns / promoters / directors or any other concern / person without the prior written approval of SIDBI. Further, the company shall intimate to SIDBI within 30 days of any loans having been granted to its subsidiaries / associate concerns at a rate of interest lower than the rate at which the borrower has borrowed the funds from SIDBI / its bankers / other financial institutions.
4. SIDBI shall be entitled to nominate one or more director / nominee on Board / business of the borrower in proportion to its shareholding. In any case, SIDBI shall be entitled to nominate at least one director / nominee on the Board / business of the borrower.
5. During the currency of the assistance of SIDBI being outstanding, the company shall not undertake any new project, diversification or any major expansion (involving investment of more than Rs. 5 crore) without the prior written approval of SIDBI.
6. In case the company comes out with an IPO, SIDBI would have an option to exit from its equity investment in the company through said public offering.

PNB Housing Finance Limited (PNBHFL)

1. Company to provide letter to PNBHFL that the loan availed by the company shall be disbursed to the directors.
2. LTV shall be limited to 60% of the market value.

Except as disclosed above, we hereby confirm that there are no other Credit Facilities availed by the Company.

Above certificate is issued at the request of '**KHFM Hospitality & Facility Management Services Limited**', on the basis of necessary information / explanation / documentation / clarification / certification, produced for our verification.

For, SVK & ASSOCIATES

Chartered Accountants

FRN: 118564W

Shilpang V. Karia

Partner

M. No. 102114

Place: Mumbai

Date : 6th September, 2018



KHFH Hospitality and Facility Management Services Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements as of and for the five Financial Years ended March 31, 2014, 2015, 2016, 2017 and 2018, including the notes thereto and the report thereon, which appear elsewhere in this Draft Prospectus. You should also read the section titled "Risk Factors" on page 16 and the section titled "Forward Looking Statements" on page 14 of this Draft Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated consolidated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated September 06, 2018 which is included in this Draft Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Overview

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name of Kalpataru's Hospitality and Facility Management Services Private Limited *vide* Certificate of Incorporation dated on January 27, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai ("**RoC**") bearing CIN U74930MH2006PTC159290. Subsequently, by a special resolution passed at the EGM of our Company held on July 18, 2012 the name of our Company was changed from Kalpataru's Hospitality and Facility Management Services Private Limited to KHFH Hospitality and Facility Management Services Private Limited and a Fresh Certificate of Incorporation dated August 10, 2012 was issued by the RoC. Further, our Company was converted into a public limited company pursuant to special resolution passed at the EGM of our Company held on May 18, 2018 and the name of our Company was changed to KHFH Hospitality and Facility Management Services Limited and a Fresh Certificate of Incorporation dated May 30, 2018 was issued by the RoC bearing CIN U74930MH2006PLC159290. Our Company is engaged in the business of Hospitality and Facility Management Services. We have our registered office situated in Mumbai.

We are one of the reputed integrated business services providers focused on providing integrated hospitality and facility management services (**IHFH**) *i.e.* mechanized housekeeping, guesthouse management, pest control, gardening and security service, etc. Backed by a team of dedicated and experienced persons from multifaceted segments, KHFH has been providing services to corporates including MNCs, government organizations like Railways, Municipal Corporations and Public Sector Undertakings (**PSUs**) and other commercial and establishments for last more than a decade.

Our Key clients include Tata Institute of Social Sciences, Patna - Central Division Building, Tirupati (Scout Bhavan), NPCIL, Western Railway (selective stations), GMR Hyderabad International Airport Ltd. etc.

Our Company is promoted by Ravindra Hegde and Sujata Hegde, who has over 2 decade of experience in integrated Hospitality and Facility Management services. He is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. In addition, we are led by a team of competent qualified professionals and contractual workers, which we believe has demonstrated its ability to manage and grow our operations.

The principal services that we provide are:-

- ✓ **Facility Management** - Appx 30 lac sqft of total area covered. It includes Mechanized house-keeping, Pest Control Services, Solid Waste Management and other Miscellaneous services *i.e.* Electric Maintenance, Plumbing, Swimming pool attendant, Lift Attendant, Pump operator, Fire Fighting, etc

KHFM Hospitality and Facility Management Services Limited

- ✓ **Hospitality Services & Catering** - Hospitality and Guest House Management includes Room Service, Guest house Management, Front desk Management, Lobby Management, Laundry and Other maintenance services. At present, the company has appx 1050 people providing catering services.
- ✓ **Horticulture & Gardening** - We have developed and are maintaining appx 12 lakh sq.ft. Multiple sections are covered including but not limited to Lawn development, Seasonal Flower Beds, Creepers & Ground Coversm, Green Landscaping and Others *i.e.* Rock Garden, Hardscape, Softscape, water Fountain, Tree Plantation, etc
- ✓ **Security Services** – The Company has received License to run the business of Private Security Agency bearing registration no. MAH/2017/717, granted by Office of Joint Commissioner of Police, & Controlling Authority, Mumbai in 2017. As the vertical is into expansion mode appx 36 person are engaged in providing services under this vertical. It includes Manned Guarding, Escort Guarding and Event Management.

The following table sets forth our revenue from operations from our verticals for the periods indicated:

Particular	Revenue from operations as per (in lakh)					
	FY 2018		FY 2017		FY 2016	
	Amount	% in total	Amount	% in total	Amount	% in total
Facility Management (including housekeeping, Pest Control, etc)	3383.84	66.75%	3290.88	72.59%	3041.41	22.11%
Hospitality Services & Catering	1280.41	25.26%	590.1	13.02%	448.14	3.26%
Horticulture & Gardening	320.94	6.33%	581.05	12.82%	1026	7.46%
Security Service	83.92	1.66%	71.35	1.57%	69.56	0.51%

As per restated standalone financial statements for the fiscal year ended on March 31, 2018, March 31, 2017, March 31, 2016, the total revenue of our Company stood at ₹ 4508.45 lakh, ₹ 4488.07 lakh and ₹ 4498.44 lakh respectively. Further our PAT for the financial year ended on March 31, 2018, March 31, 2017 and March 31, 2016 stood at ₹ 222.41 lakh, ₹ 181.04 lakh and ₹ 195.05 lakh respectively.

Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Factors affecting our results of operation

- Experienced Promoter and proficient management team
- Customised service offering for various requirements of the customers
- Long standing relationship with our customers
- Systematic Network
- Dedicated facilities for training and imparting skills

Summary of the Results of Operations

The following table sets forth financial data from restated profit and loss statement for the financial Year ended on March 31, 2018, 2017, 2016, 2015 & 2014 and the components of which are also expressed as a percentage of total income for such periods.

KHFM Hospitality and Facility Management Services Limited

(Amount in Lakh)

Particulars	31.03.2018	% of Total Income	31.03.2017	% of Total Income	31.03.2016	% of Total Income	31.03.2015	% of Total Income	31.03.2014	% of Total Income
- Revenue From Sale of Services (Net)	4499.00	99.79	4478.60	99.79	4482.55	99.65	4596.57	99.66	4587.04	99.78
Net Revenue from operations	4499.00	99.79	4478.60	99.79	4482.55	99.65	4596.57	99.66	4587.04	99.78
Other income	9.45	0.21	9.47	0.21	15.89	0.35	15.65	0.34	10.27	0.22
Total Revenue	4508.45	100.00	4488.07	100.00	4498.44	100.00	4612.23	100.00	4597.31	100.00
Expenses:										
Cost of materials consumed	-	-	-	-	-	-	-	-	-	-
Purchase of Stock-in-Trade	-	-	-	-	-	-	-	-	-	-
Change in Inventories of Finished Goods, Stock In-Process and Stock-in-Trade	-	-	-	-	-	-	-	-	-	-
Employee Benefit Expenses	3241.77	71.90	3020.81	67.00	2961.93	65.70	3132.36	69.48	2924.58	64.87
Finance Costs	374.04	8.30	303.20	6.76	307.71	6.84	274.20	5.94	265.96	5.79
Depreciation and Amortisation Expense	24.22	0.54	27.17	0.61	19.59	0.44	22.77	0.49	32.86	0.71
Other Expenses	566.82	12.57	865.42	19.28	919.00	20.43	871.74	18.90	1062.74	23.12
Total Expenses	4206.85	93.31	4216.59	93.95	4208.23	93.55	4301.07	93.25	4286.14	93.23
Net Profit Before Tax & Extraordinary Items	301.60	6.69	271.48	6.05	290.21	6.45	311.16	6.75	311.17	6.77
Tax Expenses										
- Current Tax	81.81	1.81	89.97	2.00	92.86	2.06	98.82	2.14	99.91	2.17
- Tax adjustment of prior years	-3.26	-0.07	0.68	0.02	-0.84	-0.02	-0.12	0.003	-0.17	-0.004
- Deferred Tax Liability / (Asset)	0.63	0.01	-0.21	-0.005	3.14	0.07	2.83	0.06	-1.94	-0.04
Total Tax Expenses For The Year	79.19	1.76	90.44	2.02	95.16	2.12	101.53	2.20	97.81	2.13
Extraordinary Items (Net of Tax)	-	-	-	-	-	-	-	-	-	-
Restated profit for the year after tax from total operations	222.41	4.93	181.04	4.03	195.05	4.34	209.63	4.55	213.36	4.64

KHFM Hospitality and Facility Management Services Limited

Key Components of Company's Profit And Loss Statement

Revenue from Sale of Product: Revenue from operations mainly consists of revenue from sale of services in the nature of Facility Management (including House Keeping and Pest Control), Hospitality Management & Catering, Horticulture and Gardening and Security Services, and such other related activities.

Other Income: Other income primarily comprises of interest income, rent income and dividend income.

Expenses: Company's expenses consist of employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses.

Employee Benefits Expense: Employee benefit expense includes Salaries and Wages, Bonus to Employees, contribution to Provident Fund, ESIC and Labour Welfare Fund, Director's remuneration, Staff Welfare Expenses and Provision for Gratuity.

Finance Costs: Finance cost comprises of interest on loans, interest on working capital facilities and other financial charges

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on Written Down Value (WDV) basis at the rates arrived at on the basis of on the useful life / remaining useful life of respective assets as estimated by the Management and/or based on the usefulness prescribed in Schedule II of the Companies Act, 2013.

Other Expenses: Other expenses include expenditure incurred on operating activities such as Consumption of Materials, Components & Spares, electric charges, rent, site expenses, etc., Selling & Administrative Expenses includes advertisement expenses, sales promotion expenses, discount and commission expenses, transportation, rates & taxes, conveyance, legal and professional expenses, travelling, insurance and general administration expenses etc.

Financial Performance Highlights for the year ended 31st March, 2018

Total Income: The Company's total income for the year ended March 31, 2018 was ₹ 4508.45 lakhs. The revenue from Operations was ₹ 4499.00 Lakhs which comprised 99.79% of company's total income for the year ended March 31, 2018.

Total Expenses: The total expenditure for the year ended March 31, 2018 was ₹ 4206.85 Lakhs. The total expenditure represents 93.31 % of the total revenue. The total expenses are represented by employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses. The main constituent of total expenditure is Employee Benefit Expenses, which is ₹ 3241.77 Lakhs.

Profit/ (Loss) after tax: The restated net profit for the year ended March 31, 2018 was ₹ 222.41 Lakhs representing 4.93% of the total revenue of the Company.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2018 WITH FISCAL 2017

Total Income: During the year 2017-18, the total revenue (excluding taxes) of the company increased to ₹ 4508.45 Lakhs as against ₹ 4488.07 Lakhs in the year 2016- 17, representing an increase of 0.45% of the total revenue. This increase was mainly due to increase in sale of services.

Other Income: Other income of the Company for the year 2017-18 was ₹ 9.45 Lakhs in comparison with ₹ 9.47 Lakhs for F.Y. 2016-17, representing a slight decrease of 0.20% in comparison to previous year.

Total Expenses: The total expenditure for the year 2017-18 decreased to ₹ 4206.85 Lakhs from ₹ 4216.59 Lakhs in year 2016-17, representing an decrease of 0.23% to the previous year.

Employee Benefits Expense: Employee benefit expense includes Salaries and Wages, contribution to Provident Fund, ESIC and labour welfare fund, Bonus to Employees, Director's remuneration, Staff Welfare Expenses, and Provision

KHFM Hospitality and Facility Management Services Limited

for Gratuity. The said expenses increased to ₹3241.77 Lakhs during the F.Y. 2017-18 from ₹ 3020.81 Lakhs in the previous year 2016-17, representing an increase of 7.31% to the previous year.

Finance Costs: Finance cost for the year 2017-18 increased to ₹ 374.04 Lakhs as against ₹303.20 Lakhs for the year 2016-18, representing an increase of 23.37% to the previous year, which is mainly on account of increase in the short term and long term borrowings during FY 17-18 as compared FY 16-17.

Depreciation and Amortization Expense: Depreciation for the year 2017-18 stood at 24.22 Lakhs calculated at Written Down Value Method (WDV) at the rates arrived at on the basis of on the useful lives of respective assets as estimated by the Management and/or based on the useful life / remaining useful life prescribed in Schedule II of the Companies Act. For the year 2016-17 the same was 27.17 Lakhs.

Other Expenses: : Other expenses include expenditure incurred on operating activities such as Consumption of Materials, Components & Spares, electric charges, rent, site expenses, etc., Selling & Administrative Expenses includes advertisement expenses, sales promotion expenses, discount and commission expenses, transportation, rates & taxes, conveyance, legal and professional expenses, travelling, insurance and general administration expenses etc. These expenses decreased to ₹ 566.82 Lakhs for the year 2017- 18 as against ₹ 865.42 Lakhs for the year 2016-17, representing a decrease of 34.50% as compared to the previous year, which is mainly on account of reduction in consumption of materials, components and spares.

Profit/ (Loss) Before Tax: The company's profit before tax for F.Y. 2017-18 was ₹ 301.60 Lakhs as against ₹ 271.48 Lakhs in the year 2016-17 representing an increase of 11.09% to the previous year.

Profit/ (Loss) After Tax : For the year 2017-18 the profit stood at ₹ 222.41 Lakhs as against the profit of ₹ 181.04 Lakhs for the year 2016-17, representing an increase of 22.85% to the previous year.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

Total Income: During the year 2016-17 the total revenue of the company decreased to ₹ 4488.07 Lakhs as against ₹4498.44 Lakhs in the year 2015-16, representing a decrease of 0.23% of the total revenue. This decrease was due to decrease in revenue from sale of services and decrease other income.

Other Income: Other income of the Company for the year 2016-17 was ₹ 9.47 Lakhs in comparison with ₹ 15.89 Lakhs for F.Y. 2015-16

Total Expenses: The total expenditure for the year 2016-17 increased to ₹ 4216.59 Lakhs from ₹ 4208.23 Lakhs in year 2015-16, representing an increase of 0.20% to the previous year.

Employee Benefits Expense: Employee benefit expense includes Salaries and Wages, contribution to Provident Fund, ESIC and labour welfare fund, Bonus to Employees, Director's remuneration, Staff Welfare Expenses, and Provision for Gratuity. The said expenses increased to ₹ 3020.81 Lakhs during the F.Y. 2016-17 from ₹ 2961.93 Lakhs in the previous year 2015-16, representing an increase of 1.99% to the previous year.

Finance Costs: Finance cost for the year 2016-17 increased to ₹ 374.04 Lakhs as against ₹ 303.20 Lakhs for the year 2015-16. This increase in amount was due to increase in borrowings of the Company.

Depreciation and Amortization Expense: Depreciation for the year 2016-17 stood at 27.17 Lakhs calculated at Written Down Value Method (WDV) at the rates arrived at on the basis of on the useful lives of respective assets as estimated by the Management and/or based on the useful life / remaining useful life prescribed in Schedule II of the Companies Act. For the year 2015-16 the same was 19.59 Lakh.

Other Expenses: Other expenses include expenditure incurred on manufacturing activities such as electric charges, fuel charges, production expenditures, repairs & maintenance etc., Selling & Administrative Expenses includes advertisement expenses, export related expenses, transportation and loading expenses, rates & taxes, conveyance, travelling, insurance and general administration expenses etc. These expenses were for the year 2016-17 decreased to ₹865.42 Lacs as against ₹919.00 Lacs in the previous year.

Profit/ (Loss) Before Tax The company's profit before tax for F.Y. 2016-17 decreased to Rs 271.48 Lakhs from ₹290.21 Lakhs in the year 2015-16 representing a decrease of 6.45% as compared to the previous year, which is on account of the reason that turnover for the year 2016-17 remained almost same as that of the preceding year while total expenses major part of which being fixed in nature in form of employee benefit expenses increased in the year 16-17.

Profit/ (Loss) After Tax For the year 2016-17 the profit stood at ₹ 181.04 lakhs as against the profit of ₹195.05 Lakhs for the year 2015-16.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

Total Income: During the F.Y. 2015-16 the total income of the Company increased to ₹4498.44 lakhs as against previous financial year 2014-15 of ₹4612.23 lakhs representing a decrease of 2.47% as compared to previous year. This increase was mainly due to decrease in revenue from sale of services.

Total Expenses: Total expenditure for the F.Y. 2015-16 decreased to ₹ 4208.23 Lakhs from ₹ 4301.07 Lakhs in FY 2014-15 representing a decrease of 2.16% as compared to previous year.

Employee benefits expense: Employee benefits expense decreased to ₹ 2961.93 Lacs in the year F.Y 2015-16 from ₹ 3132.36 Lakhs in FY 2014-15, representing a decrease of 5.44% as compared to previous year.

Finance Costs: Finance costs increased to ₹307.71 Lacs in F.Y 2015-16 as compared to F.Y 2014-15 in which it was ₹ 274.20 Lakhs

Depreciation and amortization expense: Depreciation and amortization expense decreased in FY 2015-16 to ₹ 19.59 Lakhs from ₹ 22.77 Lakhs as compared to previous year FY 2014-15

Other Expenses: Other expenses for the F.Y 2015-16 increased to ₹ 919.00 Lakhs whereas it was ₹ 871.74 Lakhs in previous F.Y. 2014-15.

Net Profit before tax: Net Profit before tax for the F.Y 2015-16 was ₹290.21 Lakhs as against of ₹311.16 Lakhs for the previous year 2014-15

Profit after tax: The Restated profit after tax for the F.Y 2015-16 was at ₹ 195.05 Lakhs as against profit of ₹ 209.63 Lakhs in the previous year 2013-14.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Other than as described in the section titled "*Risk Factors*" beginning on page 16 of this Draft Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "*Risk Factors*" on page 16 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by economic activity, government policies, prices quoted by service providers and availability of skilled manpower.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

The increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in staffing and facility management and hospitality Industry, Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 76 of this Draft Prospectus.

7. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Prospectus.

8. The extent to which the business is seasonal

Our business operations are not subject to significant seasonal trends.

9. Any significant dependence on a single or few suppliers or customers.

Our top 10 clients contributed appx 67.44% and 65.77% as on March 2018 and March 2017 of our revenue. For further details, please refer "*Risk Factor*" on page 16 of this Draft Prospectus.

10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "*Our Business*" beginning on page 84 of this Draft Prospectus.

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings;(ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, our Group Company, or our Directors; (v) any litigation involving our Company, our Group Company, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and our Group Company in the preceding five (5) years from the date of this Draft Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Draft Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company or our Group Company in the preceding five (5) years from the date of this Draft Prospectus; (xi) matters involving our Company and our Group Company pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

The details of the outstanding litigation or proceedings involving our Company, our Group Company and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI (ICDR) Regulations, for the purposes of disclosure, our Board on September 06, 2018 has considered all other pending litigations involving our Company, Group Company and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 10% of the net worth of our Company as per the Restated Financial Information for fiscal 2018 is ₹183.59 lakh. Further, pre-litigation notices received by our Company, Directors and Group Company (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum.

Further, pre-litigation notices received by our Company, Directors and Group Companies, unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding litigations involving our Company and Group Companies. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company. However, we have disclosed all the pending litigations, statutory or regulatory actions and taxation matters involving our Company, Directors, Promoters and Group Companies in this Draft Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. Civil cases filed by our Company

Our Company (the "**Petitioner**") has filed a Writ Petition (*W.P. 1028/2018*) against Union of India and Ors (collectively, the "**Respondents**") before the Hon'ble High Court, Nagpur Bench, Maharashtra (the "**Court**") under Section 226 of the Constitution of India, 1949 in relation to non-allotment of work order to petitioner despite of being lowest bidder in terms of quotation. Presently the matter is pending before the Court and will come for hearing in due course.

B. Criminal cases filed by our Company

As on the date of this Draft Prospectus, there are no criminal cases filed by our Company.

C. Civil cases filed against our Company

1. Maharashtra Mathadi Shramik Kamgar Sangharsha Union (the "**Complainant**") has filed a complaint (*Complaint ULPI 280/2018*) against our Company and our Promoters, (collectively, the "**Accused**") before the Hon'ble Industrial and Labour Court, Bandra, Mumbai (the "**Court**") under Section 28 of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971 (the "**Act**") in respect of certain unfair labour practices alleged by the Complainant. Presently the matter is pending before the Court and will come for hearing in due course.

KHFM Hospitality and Facility Management Services Limited

2. Vidarbha Yuvak Swayamrojar Seva Sahakari Sanstha Maryadit, Wardha (the "**Petitioner**") has filed a Writ Petition (*Stamp No. 19564/2018*) against Union of India and Ors. including our Company (collectively, the "**Respondents**") before the Hon'ble High Court, Nagpur Bench, Maharashtra (the "**Court**") under Section 226 of the Constitution of India, 1949. However, our Company has not yet received the copy of Writ Petition. Presently the matter is pending before the Court and will come for hearing in due course.
3. Mr. Kiran K. Kedari (the "**Complainant**") has filed a Complaint (*ULP No. 36/2017*) against Tata Institute of Social Sciences & Ors (the "**Accused**") before the Labour Court, Mumbai under Section 28 of Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971. Our Company is one of the Respondents in this matter. The matter is related termination of the employment of Complainant as an employee by Tata Institute of Social Sciences. Presently, the matter is pending before Labour Court, Mumbai and shall come for hearing in due course.
4. Samir Anilbhai Vashi (the "**Plaintiff**") has filed a suit (*R.C.S. 108/2016*) against our Company and our Promoters, Mr. Ravindra Hegde and Ms. Sujata Hegde (collectively, the "**Defendants**") before the Hon'ble Additional Civil Judge, Gujarat (the "**Court**") under Section 37 of the Indian Contract Act, 1872 in respect of non-delivery of goods by the Defendants to Plaintiff to the tune of Rs. 3.82 Lakhs (*Rs.3,82,583/-*) Presently the matter is pending before the Court and will come for hearing in due course.
5. State of Maharashtra (the "**Petitioner**") has filed a case (*S.C.C. 301415/2015*) against our Company (the "**Respondent**") before the Hon'ble Chief Judicial Magistrate, Nagpur, Maharashtra (the "**Court**") under Section 22-A of the Minimum Wages Act, 1948. Presently the matter is pending before the Court and will come for hearing in due course.

D. Criminal cases filed against our Company

1. Government of Gujarat (the "**Petitioner**") has filed a case (*C.C. 490/2018*) against our Company and our Promoters Mr. Ravindra Hegde and Ms. Sujata Hegde (collectively, the "**Respondents**") before the Hon'ble Principal Judge JFMC, Vagra, Gujarat (the "**Court**") under Section 23 and 24 of the Contract Labour (Regulation and Abolition) Act, 1970 (the "**Act**") in respect of non-compliance of certain provisions of the Act. Presently the matter is pending before the Court and will come for hearing in due course.
2. Shram Pravertan Adhikari (the "**Petitioner**") has filed criminal proceedings (*CRO 108/2016*) against our Company and our Promoters Mr. Ravindra Hegde and Ms. Sujata Hegde (collectively, the "**Respondents**") before the Hon'ble Additional Civil Judge Senior Division, Rawalbhatta, Rajasthan (the "**Court**") under Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988. Presently the matter is pending before the Court and will come for hearing in due course.
3. Labour Enforcement Officer (Central) & Inspector under Equal Remuneration Act, 1976 (the "**Complainant**") has filed criminal complaint (*C.C. 482/SS/2016*) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under section 10 (1) (a) of the Equal Remuneration Act, 1976 and Central Rules, 1976 (collectively, the "**Act**") in respect of non-maintaining the register in relation to workers employed in the prescribed form 'D' as per the section 8 read with rule 6 of the act at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.10 Lakhs (*Rs.10000/-*). Presently the matter is pending before the Court and will come for hearing in due course.
4. Labour Enforcement Officer (Central) - VI (the "**Complainant**") has filed criminal complaint (*C.C. 500481/SS/2016*) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 22-A of the Minimum Wages Act, 1948 (the "**Act**") in respect of not displaying the abstracts of the act and rules made thereunder in Hindi and English at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of penalty leviable under this matter may extend to *Rs.500/-*. Presently the matter is pending before the Court and will come for hearing in due course.
5. Labour Enforcement Officer (Central) - VI (the "**Complainant**") has filed criminal complaint (*C.C. 486/SS/2016*) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada,

- Mumbai (the "**Court**") under section 10 (1) (a) of the Equal Remuneration Act, 1976 and Central Rules, 1976 (collectively, the "**Act**") in respect of non-maintaining the register in relation to workers employed in the prescribed form 'D' as per the section 8 read with rule 6 of the act at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.10 Lakhs (Rs.10000/-). Presently the matter is pending before the Court and will come for hearing in due course.
6. Labour Enforcement Officer (Central) (the "**Complainant**") has filed criminal complaint (C.C. 350/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 23 and 24 of the Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1971 (collectively, the "**Act**") in respect of non-compliance by Accused with certain provisions under the Act in relation to worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.01 Lakhs (Rs.1000/-). Presently the matter is pending before the Court and will come for hearing in due course.
 7. Labour Enforcement Officer (Central) - VI (the "**Complainant**") has filed criminal complaint (C.C. 487/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 22-A of the Minimum Wages Act,1948 (the "**Act**") in respect of not displaying the abstracts of the act and rules made thereunder in Hindi and English at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of penalty leviable under this matter may extend to Rs.500/-. Presently the matter is pending before the Court and will come for hearing in due course.
 8. Labour Enforcement Officer (Central) - VI (the "**Complainant**") has filed criminal complaint (C.C. 484/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 22-A of the Minimum Wages Act,1948 (the "**Act**") in respect of not displaying the abstracts of the act and rules made thereunder in Hindi and English at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of penalty leviable under this matter may extend to Rs.500/-. Presently the matter is pending before the Court and will come for hearing in due course.
 9. Labour Enforcement Officer (Central) & Inspector under Equal Remuneration Act, 1976 (the "**Complainant**") has filed criminal complaint (C.C. 485/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under section 10 (1) (a) of the Equal Remuneration Act, 1976 and Central Rules, 1976 (collectively, the "**Act**") in respect of non-maintaining the register in relation to workers employed in the prescribed form 'D' as per the section 8 read with rule 6 of the act at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.10 Lakhs (Rs.10000/-). Presently the matter is pending before the Court and will come for hearing in due course.
 10. Labour Enforcement Officer (Central) - III (the "**Complainant**") has filed criminal complaint (C.C. 730/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 22-A of the Minimum Wages Act,1948 (the "**Act**") in respect of not displaying the abstracts of the act and rules made thereunder in Hindi and English at worksite of Accused located at Churchgate Railway Station, Mumbai. The amount of penalty leviable under this matter may extend to Rs.500/-. Presently the matter is pending before the Court and will come for hearing in due course.
 11. Labour Enforcement Officer (Central) (the "**Complainant**") has filed criminal complaint (C.C. 352/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 23 and 24 of the Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1971 (collectively, the "**Act**") in respect of non-compliance by Accused with certain provisions under the Act in relation to worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.01 Lakhs (Rs.1000/-). Presently the matter is pending before the Court and will come for hearing in due course.

12. Labour Enforcement Officer (Central) (the "**Complainant**") has filed criminal complaint (C.C. 351/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under Section 23 and 24 of the Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1971 (collectively, the "**Act**") in respect of non-compliance by Accused with certain provisions under the Act in relation to worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.01 Lakhs (Rs.1000/-). Presently the matter is pending before the Court and will come for hearing in due course.
13. Labour Enforcement Officer-Central (the "**Complainant**") has filed criminal complaint (C.C. 860/SS/2016) against our Company (the "**Accused**") before the Hon'ble Metropolitan Magistrate, Bhoiwada, Mumbai (the "**Court**") under section 10 (1) (a) of the Equal Remuneration Act, 1976 and Central Rules, 1976 (collectively, the "**Act**") in respect of non-maintaining the register in relation to workers employed in the prescribed form 'D' as per the section 8 read with rule 6 of the act at worksite of Accused located at Tata Institute of Social Sciences, Deonar, Mumbai. The amount of fine leviable under this matter may extend to Rs. 0.10 Lakhs (Rs.10000/-). Presently the matter is pending before the Court and will come for hearing in due course.

E. Revenue proceedings against our Company

Direct tax proceedings

There is Service tax proceeding against our Company for which Principal Commissioner, GST & CX has passed an order in respect of Service tax demands raised by Commissioner, Service Tax in relation to during the period 2007-2008 to 2014-2015. The aggregate amount disputed under these proceedings is ₹625.78 lakh (₹ 6,25,78,559).

Indirect tax proceedings

Nil

F. Material frauds committed against our Company

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Draft Prospectus.

G. Past cases where penalties imposed

There have been no past cases in the five (5) years preceding the date of this Draft Prospectus, where penalties were imposed on our Company by concerned authorities.

H. Past inquiries, inspections and investigations under the Companies Act

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five (5) years immediately preceding the year of issue of the Draft Prospectus in the case of our Company and its Subsidiary.

I. Fines imposed or compounding of offences

There have been no prosecutions filed by our Company and its Subsidiary (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Draft Prospectus.

J. Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Draft Prospectus.

K. Defaults and non-payment of statutory dues

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (*including interest*) or dues in respect of deposits (*including interest*) or any defaults in repayment of loans from any bank or financials institution (*including interest*).

L. Outstanding dues to Creditors

Our Board has, pursuant to its resolution dated September 06, 2018, approved that all creditors of our Company to whom the amount due by our Company exceeds ₹16.53 lakh, *i.e.* 10 % of trade payables of our Company as of March 31, 2018 as per the Restated Financial Information of our Company shall be considered "material" creditors of our Company.

The outstanding dues owed to small scale undertakings and other creditors, separately, giving details of number of cases and amounts for all dues where each of the dues exceeds ₹ 16.53 lakh as on March 31, 2018, is set out below:

Material Creditors	Number of cases	Amount involved (₹ in lakh)
Small scale undertakings	-	-
Other creditors	1	20.36

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at www.khfm.in. It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.khfm.in, would be doing so at their own risk.

II. LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS

A. Outstanding criminal litigation involving our Promoters and Directors

As on the date of this Draft Prospectus, there are no criminal proceedings initiated against or by our Promoters and Directors.

B. Outstanding civil cases involving our Promoters and Directors

As on the date of this Draft Prospectus, there are no civil cases involving our Promoters and Directors.

C. Pending action by statutory or regulatory authorities against any of our Promoters and Directors

As on the date of this Draft Prospectus, there are no pending actions by any statutory or regulatory authorities against our Promoters and Directors.

D. Revenue proceedings involving our Promoters and Directors

Direct tax proceedings - Nil

E. Other material outstanding litigation involving our Promoters and Directors

As on the date of this Draft Prospectus, there are no material outstanding litigation initiated by or against our Promoters and Directors.

III. LITIGATION INVOLVING OUR GROUP COMPANIES

A. Outstanding criminal litigation involving our Group Company

As on the date of this Draft Prospectus, there are no criminal proceedings initiated by or against our Group Company.

B. Outstanding civil case involving our Group Company

As on the date of this Draft Prospectus, there are no civil proceedings initiated by or against our Group Company.

C. Pending action by statutory or regulatory authorities against any of our Group Company

As on the date of this Draft Prospectus, there are no pending actions by any statutory or regulatory authorities against our Group Company.

D. Tax proceedings involving our Group Company

Direct tax proceedings - Nil

E. Other material outstanding litigation involving our Group Company

As on the date of this Draft Prospectus, there are no material outstanding litigation initiated by or against our Group Company.

IV. MATERIAL DEVELOPMENTS SINCE MARCH 31, 2018

Other than as disclosed under section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 168 of this Draft Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next twelve (12) months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated August 24, 2018, authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on August 25, 2018 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Prospectus pursuant to its resolution dated August 24, 2018;
- d. In-principle approval from NSE Emerge dated [●].
- e. Central Depository Services (India) Limited by way of their letter dated July 6, 2018 intimated our Company about the activation of the ISIN for the purpose of availing depository services. The ISIN allotted to us is INE00UG01014.
- f. National Securities Depository Limited by way of their letter dated June 28, 2018 intimated our Company about the activation of the ISIN for the purpose of availing depository services. The ISIN allotted to us is INE00UG01014.

II. Corporate Approvals

- a. Certificate of Incorporation dated January 27, 2006 issued by Registrar of Companies, Mumbai.
- b. Fresh Certificate of Incorporation dated August 10, 2012 issued by the Registrar of Companies, Mumbai consequent upon change in the name of our Company from Kalpatarus Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited.
- c. Fresh Certificate of Incorporation dated May 30, 2018 issued by the Registrar of Companies, Pune consequent upon conversion to public limited company.
- d. Corporate Identity Number (CIN): U74930MH2006PLC159290.

III. Tax Approvals in relation to our Company

- a. The Permanent Account Number of our Company is AACCK7622F.
- b. The Tax deduction Account Number (TAN) of our Company is MUMK16212A.
- c. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST) for the state of Maharashtra bearing registration no. 27AACCK7622F1ZM.
- d. Registration certificate under the Maharashtra State Tax on Professions, Trades, Callings and Employments

KHFM Hospitality and Facility Management Services Limited

Act, 1975 bearing registration no. 27260522926P.

IV. Approvals obtained in relation to business operations

Our Company requires various approvals and/or licenses to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

- a. ESIC Code of the Company is 35-01685-101 as issued by Employees' State Insurance Corporation under Employees' State Insurance Act, 1948.
- b. Registration certificate from the Shops and Commercial establishment bearing registration No. KE017649/COMMERCIAL II.
- c. Certificate issued by the Employees Provident Fund Organization (EPFO) having Provident Fund (PF) Code-MH/94337.
- d. License granted by Office of the Regional Labour Commissioner, Madurai under Section 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. L.146/2018-R/M to employ 60 workmen for contract work of 'Management of Surya Kiran and Sagar Milan Guest Houses' at Anuvijay Township, Nuclear Power Corporation of India Limited, Kundankulam.
- e. License granted by Office of the Regional Labour Commissioner, Vadodara under Section 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. BRC/RLC/LIC/46(318)/2017 to employ 40 workmen for contract work of 'Regular up keeping of Office Buildings including Toilets cleaning and Miscellaneous Civil Maintenance works for Anuprabha Bhavan & its Canteen Building including CMM-Warehouse Building' at Plant site of KAPP-3 & 4 P. O. Anumala, Tapi.
- f. License granted by Office of the Regional Labour Commissioner, Vadodara under Section 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. BRC/RLC/LIC/46(319)/2017 to employ 40 workmen for contract work of 'Regular up keeping of Office Buildings and Cleaning of Roads outside operating island (2017-18)' at KAPS Plant site, P. O. Anumala, Tapi.
- g. License granted by Office of the Regional Labour Commissioner, Vadodara under Section 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing nos. BRC/RLC/LIC/46(417)/2017 and BRC/RLC/LIC/46(416)/2017 to employ 99 workmen and 75 workmen respectively for contract work of 'Hiring of services for Catering & Housekeeping Services at Muller Colony, CPF Gandhar, North Gandhar Colony, and GGS oplad of Surface Section and at DSA Gandhar FB, GNAQ, & Dabka and Mobile DSAs as and when required of Drilling section of Ankaleshwar Assen.
- h. License granted by Office of the Regional Labour Commissioner, Vadodara under Section 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. BRC/RLC/LIC/46(86)/2018 to employ 75 workmen for contract work of 'Maintenance of Lawn/Garden, Cutting of Grass/Jungle in ONGC installations, DSAs and other units in Ankaleshwar for 3 years.
- i. License granted by Office of the Regional Labour Commissioner, Vadodara under Section 12 (2) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. 1710300110019179 in respect of registered establishment no. ACL/RAIGAD/RC16/2008
- j. License granted by Office of the Regional Labour Commissioner, Mumbai under 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. BALC (C)-I/46(90)/2015-L in respect of outsourcing of providing housekeeping and horticulture services in the establishment of Registrar, Tata Institute of Social Sciences, Deonar, Mumbai.
- k. License granted by Office of the Regional Labour Commissioner, Mumbai under 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. BALC (C)-I/46(95)/2015-L in respect of outsourcing of

KHFM Hospitality and Facility Management Services Limited

providing housekeeping and horticulture services in the establishment of Registrar, Tata Institute of Social Sciences, Deonar, Mumbai.

- l. License granted by Office of the Regional Labour Commissioner, Mumbai under 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 bearing no. BALC (C)-I/46(96)/2015-L in respect of outsourcing of providing housekeeping and horticulture services in the establishment of Registrar, Tata Institute of Social Sciences, Deonar, Mumbai.
- m. License granted by Office of Joint Commissioner of Police, & Controlling Authority, Mumbai to run the business of Private Security Agency bearing registration no. MAH/2017/717
- n. License granted by Department of Agriculture, Maharashtra under the Insecticides Act, 1968 bearing no. LJID01014587 subject to the specific list sources as mentioned from whom the insecticides could be obtained by our Company.
- o. License granted by Department of Food and Drug Administration, Maharashtra under the Food Safety and Standards Act, 2006 bearing no. 11518005000672 to run the business as caterer.
- p. Entrepreneur Memorandum Number 27222200441 granted by Office of the Joint Director of the Industries (MMR), Maharashtra.


V. Approvals applied for but not received

Nil

VI. Approvals obtained or applications made in relation to the Objects of the Issue

Nil

VII. Intellectual property related approvals

Our Company has four (4) registered trademarks under classes 35, 43, 44 and 45 registering our Company's trademark . These trademarks are valid till October 30, 2024.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on August 24, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on August 25, 2018 authorized the Issue.

Our Company has obtained in-principle approval from the Emerge Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter dated [●]. NSE is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

We confirm that there is no prohibition on our Company, our Promoters, our Promoter Group, our Directors, our Group Entities or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoters, Directors, persons in control of our Company or any natural person are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Association with Securities Market

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

Prohibition with respect to wilful defaulters

Neither our Company, our Promoters, our Directors, Group Company, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters except as details provided in the section titled "Outstanding Litigation and Material Developments" beginning on page **Error! Bookmark not defined.** of this Draft Prospectus.

Eligibility for the Issue

Our Company is in compliance with the following conditions specified in Regulation 4(2) of the SEBI (ICDR) Regulations to the extent applicable:

- a) Our Company, our Directors and the companies with which our Directors are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- b) Our Company has applied to the Emerge Platform of NSE for obtaining its in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approval from the Emerge Platform of NSE

KHFM Hospitality and Facility Management Services Limited

pursuant to its letter dated [●]. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange;

- c) Our Company has entered into tripartite agreement dated June 26, 2018 with NSDL and July 05, 2018 with CDSL for dematerialisation of the Equity Shares;
- d) The ISIN of equity shares is INE00UG01014;
- e) The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Draft Prospectus.

Further, in compliance with Regulation 4(5) of the SEBI Regulations, none of our Company, Promoters or Directors is a Wilful Defaulter, as on the date of this Draft Prospectus.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less than ₹10 crore, we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of NSE").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to section titled "General Information" sub-heading "Underwriting" beginning on page 52**Error! Bookmark not defined.** of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI (ICDR) Regulations, Companies Act 2013 and other applicable laws.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE. For further details of the arrangement of market making, please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 52**Error! Bookmark not defined.** of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

KHFM Hospitality and Facility Management Services Limited

Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated July 05, 2018 and National Securities Depository Limited dated June 26, 2018 for establishing connectivity.

Our Company has a website which can be accessed at the following link: www.khfm.in.

There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the Emerge Platform of the NSE (NSE EMERGE):

1. KHFM Hospitality and Facility Management Services Limited was originally incorporated as a private limited company under the Companies Act, 1956 in the name of Kalpataru's Hospitality and Facility Management Services Private Limited vide Certificate of Incorporation dated on January 27, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai ("**RoC**") bearing CIN U74930MH2006PTC159290. Subsequently, by a special resolution passed at the EGM of our Company held on July 18, 2012 the name of our Company was changed from Kalpataru's Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited and a Fresh Certificate of Incorporation dated August 10, 2012 was issued by the RoC. Further, our Company was converted into a public limited company pursuant to special resolution passed at the EGM of our Company held on May 18, 2018 and the name of our Company was changed to KHFM Hospitality and Facility Management Services Limited and a Fresh Certificate of Incorporation dated May 30, 2018 was issued by the RoC bearing CIN U74930MH2006PLC159290.
2. The post issue paid up capital of the company will be 97,00,000 equity shares of face value of ₹10 aggregating to ₹ 970.00 lakh which is less than ₹25 Crore.
3. Our company confirm that it has track record of more than three (3) years.
4. Our company confirms that it has positive cash accruals (*earnings before depreciation and tax*) from operations for atleast two (2) financial years preceding the application and its net-worth as on March 31, 2018 is positive.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. There is no winding up petition against our Company that has been admitted by the Court and no liquidator has been appointed against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
9. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, financial institutions by our Company, Promoters, Group Companies, companies promoted by the Promoters during the past three years.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE).

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, BONANZA PORTFOLIO LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, BONANZA PORTFOLIO LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013,**

APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE**
- 10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND**

- THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
 - 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
 - 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
 - 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
 - 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
 - 16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.**
 - 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS**

IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.**
- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALIZATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS - NOT APPLICABLE.**
- 6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of sections 26 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Bonanza Portfolio Limited: - NA

Sr No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Source: NA

Summary statement of Disclosure: NA

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at Premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at Premium- 180 th calendar days from listing		
			Over 50%	Betw een 25- 50%	Less than 25%	Over 50%	Betwee n 25- 50%	Less than 25%	Over 50%	Between n 25- 50%	Less than 25%	Over 50%	Betwee n 25- 50%	Less than 25%

Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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Track Record of past issues handled by Bonanza Portfolio Limited

For details regarding track record of Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.bonanzaportfolio.com

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Lead Manager (Bonanza Portfolio Limited) and our Company on September 06, 2018 and the Underwriting Agreement dated September 06, 2018 entered into between the Underwriters and our Company and the Market Making Agreement dated September 06, 2018 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Subsidiary Company, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

Note

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

KHFM Hospitality and Facility Management Services Limited

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra, India.

This Draft Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations.

However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra

KHFM Hospitality and Facility Management Services Limited

(E), Mumbai 400 051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- (a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six (6) months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue*, Banker to our Company#, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker* to the Issue to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

ICICI Bank Limited, one of the banker to the Company consent applied but is yet to be received as on the date of this draft prospectus.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s G.R. Shetty & Co., Chartered Accountants, Statutory Auditor of our Company and M/s. SVK & Associates, Chartered Accountants, Peer Review Auditors of our Company, has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus, respectively in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

Experts Opinion

Except for the reports in the section titled "*Restated Financial Information*" and "*Statement of Tax Benefits*" beginning on pages 120; and 74 respectively of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 95.00 lakh, which is 8.47% of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB's commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The Estimated Issue expenses are as under:

Sr. No	Particulars	Amount (₹ in lakh)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including underwriting and selling commissions, brokerages, Legal Advisors, Registrars, etc and other out of pocket expenses.*	8700000	91.58%	7.76%
2.	Printing and Stationery and postage expenses	300000	3.16%	0.27%
3.	Regulatory and other expenses including Listing Fee	500000	5.26%	0.45%
	Total estimated Issue Expenses	9500000	100.00%	8.47%

*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs

Fees, Brokerage and Selling Commission payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the (i) Issue Agreement dated September 06, 2018 with the Lead Manager, Bonanza Portfolio Limited, (ii) the Underwriting Agreement dated September 06, 2018 with Underwriter and (iii) the Market Making Agreement dated September 06, 2018 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated August 29, 2018, a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Except as disclosed in section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus, our Company

KHFM Hospitality and Facility Management Services Limited

has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For a detailed description, section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies/ subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects– Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated under section titled "*Capital Structure*" beginning on page **Error! Bookmark not defined.** of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group / Associate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Redeemable Preference Shares as on the date of filing this Draft Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

Equity Shares being offered through the Draft Prospectus can be applied for, in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

KHFM Hospitality and Facility Management Services Limited

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Anubhav Shrivastava, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Mr. Anubhav Shrivastava

01, Nirma Plaza, Makhwana Road,
Marol Naka, Andheri (East)
Mumbai 400 059, Maharashtra, India.
Telephone: +91 22 2851 1234
Facsimile: +91 22 2859 1483
CIN: U74930MH2006PTC159290
Website: www.khfm.in
Email id: cs@khfm.in

Our Board by a resolution on August 29, 2018 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 100 of this Draft Prospectus.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Our Company has been incorporated in 2006. We have appointed, **M/s. G.R. Shetty & Co, Chartered Accountants**, as a statutory Auditor of the Company. Except this there has been no change in our Company's auditors in the last three (3) years.

Capitalization of Reserves or Profits

Except as disclosed under section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer to section titled "*Statement of Tax Benefits*" beginning on page 74 of this Draft Prospectus.

Purchase of Property

Other than as disclosed under section titled "Our Business" beginning on page 84 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on page 100 **Error! Bookmark not defined.**; and 118 respectively of this Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the DIPP, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms,

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on August 24, 2018 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on August 25, 2018 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being offered / issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 249 of the Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act 1956 and Companies Act 2013, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" beginning on page 119 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹10.00 each are being offered in terms of the Draft Prospectus at the price of ₹38/- per Equity Share (*including premium of ₹ 28/- per share*).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section

KHFM Hospitality and Facility Management Services Limited

titled "*Basis for Issue Price*" beginning on page 72 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 249 of the Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated June 26, 2018 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated July 05, 2018 between CDSL, our Company and Registrar to the Issue.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Shares is subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

Minimum Subscription and Underwriting

In terms of Regulation 14 of the SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of 90% of the Issue including devolvement of Underwriter(s), if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI Regulations and applicable laws.

In terms of Regulation 106P(1) of the SEBI ICDR Regulations, the Issue is 100% underwritten. For details of underwriting arrangement, please refer to section titled "*General Information-Underwriting*" beginning on page 52 of this Draft Prospectus.

Further, in accordance with Regulation 106Q of the SEBI (ICDR) Regulations, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid up Capital of the company is more than ₹10 Crore but below ₹25 Crore, Our Company may still apply for migration to the Main Board if our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the Emerge Platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three (3) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "*General Information - Details of the Market Making Arrangements for this Issue*" on page 52 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

KHFM Hospitality and Facility Management Services Limited

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹ 20 to ₹50 Crore	20%	19%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Option to receive Equity Shares in Dematerialized Form

As per section 29(1) of the Companies Act 2013 and SEBI (ICDR) Regulations, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the equity shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 56 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 249 of the Draft Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M(1) of Chapter XB of the SEBI (ICDR) Regulations, whereby, an issuer whose post issue face value capital does not exceed ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please refer to sections titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 198; and 207; respectively of this Draft Prospectus.

Public Issue of 29,50,000 equity shares of face value of ₹10 each ("*Equity Shares*") of KHFM Hospitality and Facility Management Limited ("*Company*" or "*Issuer*") for cash at a price of ₹38/- per equity share (*including a share premium of ₹28/- per equity share*) aggregating upto ₹ 1121.00 lakh. The Issue and Net Issue of Equity Shares will constitute 30.41% and 28.89% respectively of the fully diluted post-issue equity share capital of our Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	28,02,500 Equity Shares	1,47,500 Equity Shares
Percentage of Issue Size available for allocation	28.89% of the Issue Size (<i>50% to Retail Individual Investors and the balance 50% to other investors</i>)	5.00% of the Issue Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 3,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each. For further details please refer to " <i>Basis of Allotment</i> " under section titled " <i>Issue Procedure</i> " beginning on page 207 of this Draft Prospectus.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	For Other than Retail Individual Investors: Such number of Equity Shares in multiples of 3,000 Equity Shares at an Issue price of ₹38/- each such that the Application Value exceeds ₹2,00,000. For Retail Individuals: Such number of Equity shares where the application size is of atleast ₹1,00,000.	3,000 Equity Shares of Face Value ₹10.00
Maximum Application Size	For Other than Retail Individual Investors: The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. For Retail Individuals Investors: Such number of Equity Shares in multiples of 3,000 Equity Shares such that the application value does not exceed ₹2,00,000	1,47,500 Equity Shares of Face Value ₹10.00

KHFM Hospitality and Facility Management Services Limited

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Trading Lot	3,000 Equity Shares	3,000 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Application Lot Size	3,000 Equity Shares and in multiples of 3,000 equity shares thereafter.	
Terms of Payment	100%	100%

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details please refer to section titled "Issue Structure" beginning on page 204 of this Draft Prospectus.

**As per Regulation 43(4) of the SEBI (ICDR) Regulations, as present issue is a fixed price issue 'the allocation' is the net offer to the public category shall be made as follows:*

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to Investors Other than Retail Individual Investors
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

"If the retail individual investor category is entitled to more than fifty per cent (50%) on proportionate basis, the retail individual investors shall be allocated that higher percentage"

Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of NSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final RoC approval of this Prospectus after it is filed with the RoC.
- (iii) In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (*one each in English and Hindi*) and one (1) in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

Issue Programme

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (*Indian Standard Time*) during the Issue Period at the Application Centres mentioned in the Application Form, on the Issue Closing Date when applications will be accepted only between 10.00 a.m. to 4.00 p.m. (*Indian Standard Time*).



KHFM Hospitality and Facility Management Services Limited

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public offerings, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, *i.e.*, Monday to Friday (*excluding any public holiday*).

ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("**General Information Document**") included below under section "**PART B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company and the Lead Manager are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART A

Fixed Price Issue Procedure

The Issue is being made under Regulation [106(M)(1)] of Chapter XB of SEBI (ICDR) Regulations, 2009 *via* Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category *i.e.* QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Applicants are required to submit their Applications to the Designated Intermediaries *i.e.* SCSBs or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all

KHFM Hospitality and Facility Management Services Limited

successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

Application Form

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue are as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "**Designated Intermediaries**")

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (" RTA ") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE *i.e.* www.nseindia.com.

Who can apply?

In addition to the category of Applicants as set forth under "*Part B -General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue*" beginning on page 228 of this Draft Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

Maximum and Minimum Application Size

The applicants in this Issue, being a fixed price, will be categorized into two:

1. For Retail Individual Applicants

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹2,00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 3,000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Participation by Associates /Affiliates of Lead Manager and the Syndicate Members

The Lead Manager and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the Lead Manager and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRI's/ FPI's on Repatriation Basis

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws. As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where "infrastructure" is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as Infrastructure Finance Companies (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

KHFM Hospitality and Facility Management Services Limited

3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a. A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b. Nothing contained in clause (a) shall apply to:
 - (i) Any transactions in derivatives on a recognized stock exchange;
 - (ii) Short selling transactions in accordance with the framework specified by the Board;
 - (iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (iv) Any other transaction specified by the Board.
 - c. No transaction on the stock exchange shall be carried forward;
 - d. The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
 - (i) transaction in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - (ii) sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (iii) sale of securities in response to an offer made by any promoters or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - (iv) Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
 - (v) divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - (vi) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - (vii) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (viii) Any other transaction specified by the Board.
 - e. A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form. Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

KHFM Hospitality and Facility Management Services Limited

7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a. Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- b. Such offshore derivative instruments are issued after compliance with "know your client" norms. Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly. Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

KHFM Hospitality and Facility Management Services Limited

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

Applications by Insurance Companies

In case of applications made by insurance companies registered with Insurance Regulatory Development Authority ("**IRDA**"), certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors *i.e.* December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity

investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Applications by Banking Companies

Applications by Banking Companies: In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason. The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

Applications by SCSBs: SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹2,500 lakh (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 lakh, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of ₹2,500 lakh and pension funds with minimum corpus of ₹2,500 lakh, a certified copy of a certificate from a chartered accountant

certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit. The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of ₹2,500 Lakh (subject to applicable law) and pension funds with minimum corpus of ₹2,500 Lakh, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

Information for the Applicants:

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (*one each in English and Hindi*) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least three (3) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a

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Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html. For details on designated branches of SCSB collecting the Application Form, please refer the abovementioned SEBI link.

Method and Process of Applications

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

KHFM Hospitality and Facility Management Services Limited

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of ₹38/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - (i) the applications accepted by them
 - (ii) the applications uploaded by them
 - (iii) the applications accepted but not uploaded by them or
 - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) the applications accepted by any Designated Intermediaries
 - (ii) the applications uploaded by any Designated Intermediaries or
 - (iii) the applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;

- Client Identification Number of the demat account of the Applicant;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
 9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
 10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
 11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
 12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
 14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
 15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein upto 1,47,500 Equity Shares shall be reserved for Market Maker. 14,01,250 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.

- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Prospectus with ROC

- 1) Our company has entered into an Underwriting Agreement dated September 06, 2018.
- 2) A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one (1) Working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;

KHFM Hospitality and Facility Management Services Limited

- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding ₹2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE [i.e.](http://www.nseindia.com) www.nseindia.com. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY

CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of NSE *i.e.* www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date. In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within six (6) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within six (6) Working days of Issue Closing Date;
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That our Promoters' contribution in full has already been brought in;
- 5) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 6) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 7) Except as disclosed under section titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus, there is no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc.; and
- 8) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- 9) That none of the promoters or directors of the company is willful defaulter under Section 4(5) of SEBI (ICDR) Regulations, 2009 as per the (Third Amendment) in SEBI (ICDR) Regulations, 2016 dated May, 25, 2016.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till

KHFM Hospitality and Facility Management Services Limited

the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;

- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 pursuant to Section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated June 26, 2018 between NSDL, the Company and the Registrar to the Issue; and
- b) Agreement dated July 05, 2018 between CDSL, the Company and the Registrar to the Issue;

Our Company's equity Shares bear an ISIN No. INE00UG01014.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

Section 1: Purpose of the General Information Document (GID)

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**").

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website of the Lead Manager to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section "Glossary and Abbreviations".

Section 2: Brief Introduction to IPOs on SME Exchange

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act”), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
 - b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
 - c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
 - d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
 - e) The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crore.
 - f) Track record of atleast three years of either;
 - i. the applicant seeking listing; or
 - ii. the promoters****/promoting company, incorporated in or outside India or
 - iii. Partnership firm and subsequently converted into a company (not in existence as a company for three years) and approaches the Exchange for listing.
- ****Promoters mean one or more persons with minimum 3 years of experience in the same line of business and shall be holding at least 20% of the post issue equity share capital individually or severally.
- g) The company/entity should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth should be positive.
 - h) The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
 - i) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
 - j) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
 - k) The Company should have a website
 - l) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to NSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(1) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital 599.26 Lakhs which is less than ₹10 Crore. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.4 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten (10) Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

2.5 Migration to Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

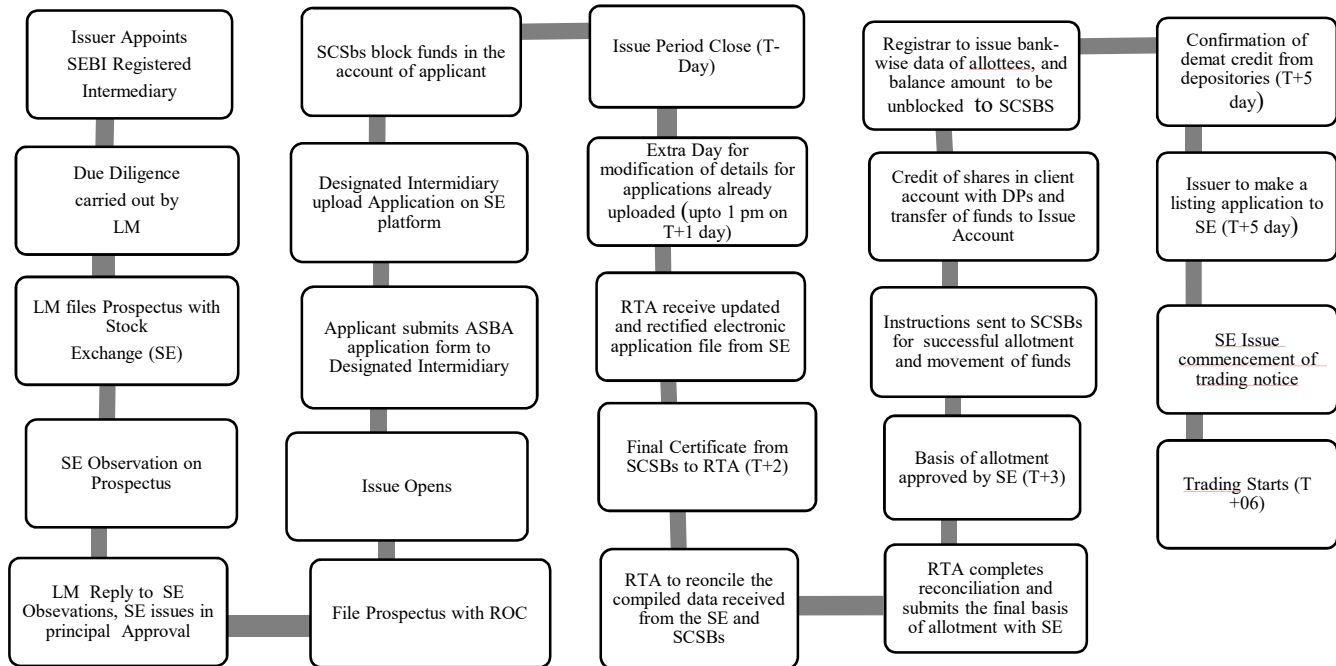
- a) If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to Stock Exchange for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.6 Flowchart of Timelines

A flow chart of process flow in Fixed Price Issues is as follows:



Section 3: Category of Investors Eligible to Participate in an Issue

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- Sub- accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional applicant's category.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating

KHFM Hospitality and Facility Management Services Limited

- to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of ₹2500 lakh and who are authorized under their constitution to hold and invest in equity shares;
- Eligible QFIs;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

Applications not to be made by:

- Minors (except under guardianship)
- Partnership firms or their nominees
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not allowed to participate in an Issue.

Section 4: Applying in the Issue

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the Lead Manager. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 Instructions for Filing Application Form/ Application Form (Fixed Price Issue)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address: _____ Contact Details: _____ CIN No: _____	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																						
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DPID / CLID																								
<table border="1" style="width: 100%;"> <tr> <td>Amount paid (₹ in figures)</td> <td>Bank & Branch</td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td> </td> </tr> <tr> <td>Received from Mr./Ms.</td> <td> </td> </tr> <tr> <td>Telephone / Mobile</td> <td>Email</td> </tr> </table>		Amount paid (₹ in figures)	Bank & Branch	ASBA Bank A/c No.		Received from Mr./Ms.		Telephone / Mobile	Email	Stamp & Signature of SCSB Branch														
Amount paid (₹ in figures)	Bank & Branch																							
ASBA Bank A/c No.																								
Received from Mr./Ms.																								
Telephone / Mobile	Email																							
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TEAR HERE	<table border="1" style="width: 100%;"> <tr> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">XYZ LIMITED - INITIAL PUBLIC ISSUE - R</td> <td>Option 1</td> <td>Option 2</td> <td>Option 3</td> <td rowspan="4" style="text-align: center;">Stamp & Signature of Broker / SCSB / DP / RTA</td> <td rowspan="4" style="text-align: center;">Name of Sole / First Bidder</td> </tr> <tr> <td>No. of Equity Shares</td> <td> </td> <td> </td> </tr> <tr> <td>Bid Price</td> <td> </td> <td> </td> </tr> <tr> <td>Amount Paid (₹)</td> <td> </td> <td> </td> </tr> </table>	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder	No. of Equity Shares			Bid Price			Amount Paid (₹)			Acknowledgement Slip for Bidder							
XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1		Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA			Name of Sole / First Bidder																
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ASBA Bank A/c No.																								
Bank & Branch																								

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : _____ Contact Details : _____ CIN No _____	For Eligible NRI, FI, FVCI, applying on Restriction Basis
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	Bid cum Application Form No. _____
	FIXED PRICE ONE ISSUE INE0000000000	

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____
SENIOR BROKER'S / SUB-AGENT'S STAMP & CODE	ENGLISH BRANCH/SCSB BRANCH STAMP & CODE	Address _____
		Email _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. Investor Status
For NSDL, enter 3 digit DP ID followed by 8 digit Client ID. For CDSL, enter 16 digit Client ID	<input type="checkbox"/> Non-Resident Indian (Repatriation Basis) NR
	<input type="checkbox"/> Foreign Institutional Investor FI
	<input type="checkbox"/> Foreign Venture Capital Investor FVCI
	<input type="checkbox"/> FI Sub Account Corporate/Individual FISA
	<input type="checkbox"/> Others (Please Specify) OTH

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					5. CATEGORY	
Bid Option	No. of Equity Shares Bid (In Figures) (Must not be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 2/- only) (In Figures)			"Cut-off Please tick"	<input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
		Bid Price	Retail Discount	Net Price		
Option 1					<input type="checkbox"/>	
(OR) Option 2					<input type="checkbox"/>	
(OR) Option 3					<input type="checkbox"/>	

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAY
Amount paid (₹ in figures)	_____	(₹ in words) _____
ASBA Bank A/c No.	_____	
Bank Name & Branch	_____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (I/We authorize the SCSB to do all acts as are necessary to make the Application in its name)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
_____	1) _____ 2) _____ 3) _____	_____
Date : _____		

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
DPID / (S.O.)	_____	PAN of Sole / First Bidder	_____
Amount paid (₹ in figures)	_____	Bank & Branch	_____
ASBA Bank A/c No.	_____		
Received from Mr/Ms.	_____		
Telephone / Mobile	_____	Email	_____

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Bid Price</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Amount Paid (₹)</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares	_____	_____	_____	Bid Price	_____	_____	_____	Amount Paid (₹)	_____	_____	_____	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	Option 1	Option 2	Option 3																
No. of Equity Shares	_____	_____	_____																
Bid Price	_____	_____	_____																
Amount Paid (₹)	_____	_____	_____																
ASBA Bank A/c No.	_____																		
Bank & Branch	_____																		
			Acknowledgement Slip for Bidder																
			Bid cum Application Form No. _____																

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4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

 - makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
 - makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
 - otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case

KHFM Hospitality and Facility Management Services Limited

of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- a) The Issuer may mention Price in the Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size

- i. For Retails Individual Applicants

The Application must be for a minimum of 3,000 equity shares. As the application price payable by the retail individual applicants cannot exceed ₹2,00,000 they can make Application for only minimum Application size *i.e* for 3,000 equity shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 3,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Draft Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of

KHFM Hospitality and Facility Management Services Limited

Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:
 - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
 - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- a) The categories of Applicants identified as per the SEBI (ICDR) Regulations, for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (*including corporate bodies or institutions, irrespective of the number of specified securities applied for*).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI (ICDR) Regulations specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The application form submitted by an applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

KHFM Hospitality and Facility Management Services Limited

- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

4.1.8 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six (6) Working Days of the Issue Closing Date.

4.1.8.1 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

4.1.8.2 Additional Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.

KHFM Hospitality and Facility Management Services Limited

- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
 - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case may be.
 - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the Designated Intermediary, where the Application was submitted; or
 - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
Address : _____	Contact Details: _____	CIN No _____
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____
		Bid cum Application Form No. _____
INDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____
		Address _____
		Tel. No (with STD code) / Mobile _____ Email _____
2. PAN OF SOLE / FIRST BIDDER		
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		
PLEASE CHANGE MY BID		
4. FROM (AS PER LAST BID OR REVISION)		
Bid Options	No. of Equity Shares Bid (Bid must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
Option 1		
(OR) Option 2		
(OR) Option 3		
5. TO (Revised Bid) (Only Retail Individual Shareholders Bid at "Cut-off")		
Bid Options	No. of Equity Shares Bid (Bid must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
Option 1		
(OR) Option 2		
(OR) Option 3		
6. PAYMENT DETAILS		
Additional Amount Paid (₹ in figures)		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
ASBA Bank A/c No.		
Bank Name & Branch		
<small>DEBIT FROM THE ASBA ACCOUNT AND PAYMENT TO THE ISSUING COMPANY SHALL BE THROUGH THE DESIGNATED BRANCH OF THE ASBA ACCOUNT. THE APPLICANT SHALL BE RESPONSIBLE FOR THE DEBIT FROM THE ASBA ACCOUNT AND PAYMENT TO THE ISSUING COMPANY. THE APPLICANT SHALL BE RESPONSIBLE FOR THE DEBIT FROM THE ASBA ACCOUNT AND PAYMENT TO THE ISSUING COMPANY. THE APPLICANT SHALL BE RESPONSIBLE FOR THE DEBIT FROM THE ASBA ACCOUNT AND PAYMENT TO THE ISSUING COMPANY.</small>		
7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (As per Bank Records)	BROKER / SCSB / DP / RTA STAMP (Acknowledgement stamp of Bid in Stock Exchange system)
TEAR HERE		
LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA
		Bid cum Application Form No. _____
		PAN of Sole / First Bidder _____
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	
TEAR HERE		
NO. OF EQUITY SHARES - INITIAL PUBLIC ISSUE - R	Option 1 Option 2 Option 3	Name of Sole / First Bidder
No. of Equity Shares		
Bid Price		Stamp & Signature of Broker / SCSB / DP / RTA
Additional Amount Paid (₹)		
ASBA Bank A/c No.		Acknowledgement Slip for Bidder
Bank & Branch		
		Bid cum Application Form No. _____

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: APPLICATION OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed ₹ 2,00,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) Applicants are required to make payment of the full application along with the Revision Form.
- b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode respectively

SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

5.1 Applicants may note that there is no Bid-cum-Application Form in a Fixed Price Issue.

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("*ASBA Account*"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

5.2 GROUNDS FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 3,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID

and the PAN;

- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of ₹ 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

- a. This being the Fixed Price Issue this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

7.1 Basis of Allotment

Allotment will be made in consultation with SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (*i.e.* Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 3,000 Equity Shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted 3,000 Equity Shares;
 - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal

- to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3,000 Equity Shares subject to a minimum allotment of 3,000 Equity Shares.
 - e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
 - f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
 - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
 - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within five (5) Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five (5) Working Days of the Issue Closing Date,

SECTION 8: INTEREST AND REFUNDS

a. COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six (6) Working Days of the Issue Closing Date.

b. GROUNDS FOR UNBLOCKING OF FUNDS

i. Non-Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts.

If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Companies Act, and disclosed in the Prospectus.

ii. Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters , if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

iii. MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

c. Mode of Unblocking of Funds

Within six (6) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

i. Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

d. Interest in Case of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if Applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes an Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant

KHFM Hospitality and Facility Management Services Limited

Term	Description
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an offer during the Issue Period by a prospective Applicant pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Business Day	Monday to Friday (<i>except public holidays</i>)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price.

KHFM Hospitality and Facility Management Services Limited

Term	Description
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account

KHFM Hospitality and Facility Management Services Limited

Term	Description
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being Hem Securities Limited such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992

KHFM Hospitality and Facility Management Services Limited

Term	Description
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self-Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016 (“**FDI Policy**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 6, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the SEBI (SAST) Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII- MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

(New set of Articles of Association adopted in substitution with the existing Articles of Association as approved by the Members at their Extra Ordinary General Meeting held on May 18, 2018.)

Title of Article	Article Number and contents
Table "F" not to apply but company to be governed by these Articles	1. The regulations contained in Table "F" in the First Schedule of the Companies Act, 2013 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act, 2013 (to the extent applicable) or Companies Act, 1956 (to the extent applicable) be such as are contained in these Articles.

INTERPRETATION

Title of Article	Article Number and contents
Marginal Notes	2. The marginal notes used in these Articles shall not affect the construction hereof.
Interpretation Clause	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:
The Act	(a) "The Act" means the Companies Act, 2013 (to the extent applicable) and the Companies Act, 1956 (to the extent applicable) and includes any statutory modification or re-enactment thereof for the time being in force.
These Articles	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.
Auditors	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.
Board or Board of Directors	(d) "Board" or "Board of Directors" means the Board of Directors of the Company or the Directors of the Company collectively.
Capital	(e) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.
Chairman	(f) "The Chairman" means the Chairman of the Board of Directors, for the time being, of the Company.
Charge	(g) "Charge" includes a mortgage.
Company	(h) The "Company" shall mean KHFM Hospitality and Facility Management Services Limited.
Debenture	(i) "Debenture" includes debenture stock, bonds and any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
Directors	(j) "Directors" means the Board of Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a circular resolution under the Articles.
Dividend	(k) "Dividend" includes interim dividend unless otherwise stated.
Executor or	(l) "Executor" or "Administrator" means a person who has obtained a probate or letter

Title of Article	Article Number and contents
Administrator	of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.
Gender	(m) Words importing the masculine gender shall be deemed to include the feminine gender and <i>vice versa</i> .
In writing and written	(n) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.
Legal Representative	(o) "Legal Representative" means a person who in law represents the estate of a deceased Member.
Members	(p) "Members" means the duly registered holders, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.
Board Meeting or Meeting of Board	(q) "Board Meeting" or "Meeting of Board" means meeting of the Board of Directors.
Annual General Meeting or General Meeting Extra-Ordinary General Meeting	(r) "Annual General Meeting" or "General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Companies Act, 2013
Memorandum	(s) "Extra-Ordinary General Meeting" means an extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof
Month	(t) "Memorandum" means the Memorandum of Association of the Company as originally framed and/or altered from time to time.
National Company Law Tribunal	(u) "Month" means a calendar month
Office	(v) "National Company Law Tribunal" means National Company Law Tribunal (Tribunal) as defined under section 408 of the Companies Act, 2013.
Ordinary Resolution	(w) "Office" means the registered office for the time being of the Company
Paid Up	(x) "Ordinary Resolution" shall have the meanings assigned to it by Section 114 of the Companies Act, 2013.
Person	(y) "Paid-up" includes capital credited as paid up
Proxy	(z) "Person" shall be deemed to include corporations and firms as well as individuals.
Public Company	(aa) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.
	(ab) "Public Company" within the meaning of section 2(71) of The Companies Act, 2013 means a company which – (a) is not a private company; (b) has a minimum paid up share capital, as may be prescribed. Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
Public Holiday	(ac) "Public Holiday" means public holiday within the meaning of the Negotiable Instruments Act, 1881 provided that no date declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
The Register of Members	(ad) "The Register of Members" means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013
The Registrar	(ae) "The Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.
Seal	(af) "Seal" means the common seal for the time being of the Company.
Secretary	(ag) "secretary" or "company secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act
Shares	(ah) "Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and share is expressed or implied
Special Resolution	(ai) "Special Resolution" shall have the meaning assigned to it by Section 114 of Companies Act, 2014.
The Statutes	(aj) "The Statutes" means the Companies Act, 2013, to the extent applicable and the Companies Act, 1956, to the extent applicable and every other Act for the time being in force affecting the Company
Year or Financial Year	(ak) "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013
Singular Number	(al) Words importing the Singular number include where the context admits or requires the plural number and <i>vice versa</i> .
These presents	(am) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.
Variation	(an) "Variation" shall include abrogation; and "vary" shall include abrogate.
Expressions in the Act to bear the same meaning in Articles	(ao) Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The Authorised Share Capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum Of Association of the Company, with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	Company or the provisions of the Company or the provisions of the law for the time being in force.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Companies Act, 2013. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013.
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Redeemable Preference Shares	6. Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	7. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares and in circumstances provided under Section 47(2).
Provisions to apply on issue of Redeemable Preference Shares	<p>8. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>(b) No such Shares shall be redeemed unless they are fully paid.</p> <p>(c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of capital	<p>9. The Company may (subject to the provisions of section 52, 55(1) & (2) of the Companies Act, 2013 and Section 80 of the Companies Act, 1956, to the extent applicable, and Section 100 to 105 of the Companies Act, 1956, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
Purchase of own Shares	10. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.
Sub-division consolidation and cancellation of Shares	11. Subject to the provisions of Section 61 of the Companies Act, 2013 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p>12. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Companies Act 1956, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking pari passu therewith.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	13. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Section 39 of the Companies Act, 2013, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013.
Further issue of shares	<p>14.</p> <p>(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—</p> <p>(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p>

Title of Article	Article Number and contents
	<p>(ii) the offer aforesaid shall not have the right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement to this effect.</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.</p> <p>(2) The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p>
Shares at the disposal of the Directors	<p>15. Subject to the provisions of Section 62 of the Companies Act, 2013 and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>
Power to offer Shares/options to acquire Shares	<p>15A</p> <p>(1) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>permitted by law for the time being in force.</p> <p>(2) In addition to the powers of the Board under Article 16A(1), the Board may also allot the Shares referred to in Article 16A(1) to any trust, whose principal objects would <i>inter alia</i> include further transferring such Shares to the Company’s employees [including by way of options, as referred to in Article 16A(1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(3) The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(1) and (2) above.</p>
Application of premium received on Shares	<p>16.</p> <p>(1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the securities premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.</p> <p>(2) The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p> <p>(e) For the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.</p>
Power also to Company in General Meeting to issue Shares	<p>17. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.</p>
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>17A</p> <p>(1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose.</p> <p>(2) In addition to the powers contained in Article 18A(1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
Shares at a discount	<p>18. The Company shall not issue Shares at a discount except the issue of Sweat Equity Shares of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) the issue is authorized by a special resolution passed by the company;</p> <p>(b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;</p> <p>(c) not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business; and</p> <p>(d) where the equity shares of the company are listed on a recognized stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with the prescribed rules.</p>
Installments of Shares to be duly paid	<p>19. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>20. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>21. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>22. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>
Liability of Members	<p>23. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.</p>

Title of Article	Article Number and contents
Dematerialisation of securities	<p>24.(A) Definitions: Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
Dematerialisation of securities	<p>24.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>24. (C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>24.(D) All Securities held by a Depository shall be dematerialised and shall be in a fungible form;</p>
Rights of depositories and beneficial owners	<p>24.(E)</p> <ol style="list-style-type: none"> (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
Depository To Furnish Information	<p>24. (F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.</p>
Service of documents	<p>24.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by</p>

Title of Article	Article Number and contents
	such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Option to opt out in respect of any security	24. (H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
Sections 45 and 56 of the Companies Act, 2013 not to apply	24.(I) Notwithstanding anything to the contrary contained in the Articles: (1) Section 45 of the Companies Act, 2013 shall not apply to the Shares held with a Depository; (2) Section 56 of the Companies Act, 2013 shall not apply to transfer of Security affected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
Share certificate	25. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.
Limitation of time for issue of certificates	26. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.
Renewal of share certificates	27. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.
Issue of new certificate in place of one defaced, lost or destroyed	28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Issue of Shares without Voting Rights	<p>30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
Buy-Back of Shares and Securities	<p>31. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 67 and SEBI (Buy Back of Shares) Regulations as may be permitted by law.</p>
Employees Stock Options Scheme/ Plan	<p>32. The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.</p>
Sweat Equity	<p>33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.</p>
Company not bound to recognize any interest in Shares other than of registered holder	<p>34. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p>
Trust recognized	<p>35.</p> <p>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>
Declaration by person not holding beneficial interest in any Shares	<p>36.</p> <p>(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.</p> <p>(2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act</p> <p>(4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p>
Funds of Company not to be applied in purchase of Shares of the Company	<p>37. No funds of the Company shall except as provided by Section 67 of the Companies Act, 2013 be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 52, 55 (to the extent applicable) of Companies Act, 2013 and Sections 80 and 100 to 105 of the Companies Act, 1956 and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.</p>

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	<p>38. Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company.</p>
Brokerage	<p>39. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.</p>
Commission to be included in the annual return	<p>40. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Section 92 to the Companies Act, 2013.</p>

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	<p>41.</p> <p>(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 327 of the Companies Act, 2013.</p> <p>(c) Certain charges (which expression includes mortgage) mentioned in Section 77 of the Companies Act, 2013 shall be void against the Liquidator or creditor unless registered as provided in Section 77 of the Companies Act, 2013.</p> <p>(d) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(e) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Companies Act, 2013) within six months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(f) The Company shall comply with the provisions of Section 71 of the Companies Act, 2013 as regards supply of copies of Debenture Trust Deed and inspection thereof.</p> <p>(g) The Company shall comply with the provisions of Section 2(16), 77 to 87 (inclusive) of the Companies Act, 2013 as regards registration of charges.</p>

CALLS

Title of Article	Article Number and contents
Directors may make calls	<p>42.</p> <p>(a) Subject to the provisions of Section 49 of the Companies Act, 2013 the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>43. Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>

Title of Article	Article Number and contents
Call deemed to have been made	44. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
Directors may extend time	45. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.
Amount payable at fixed time or by installments to be treated as calls	46. If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
When interest on call or installment payable	47. If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding ten percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Evidence in action by Company against share holder	48. On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	<p>49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may</p> <p>pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.</p>

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	50. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Company's on Shares/ Debentures	51. The Company shall have first and paramount lien upon all Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.
As to enforcing lien by sale	52. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from on behalf of and in the name of such Members The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	53. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	54. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on	55. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
allotment to be deemed a call	sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	56. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	57. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	58. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	59. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	60. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	61. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	62. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Declaration of forfeiture	63. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum	64. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect of forfeited Shares	65. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	66. The declaration as mentioned in Article 64(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	67. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	68. The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	69. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	70. The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Title of Article	Article Number and contents
Application for transfer	<p>71.</p> <p>(a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.</p> <p>(b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p> <p>(c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>
Execution of transfer	<p>72. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 56 of the Companies Act, 2013 and any statutory modification thereof for the time being shall be duly complied with.</p>
Transfer by legal representatives	<p>73. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.</p>
Register of Members etc when closed	<p>74. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders, in accordance with Section 91 of the Companies Act, 2013 and rules made thereunder, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>
Directors may refuse to register transfer	<p>75. Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.</p>
Death of one or more joint holders of Shares	<p>76. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.</p>
Titles of Shares of deceased Member	<p>77. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal</p>

Title of Article	Article Number and contents
	Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 and 56 of the Companies Act, 2013.
Notice of application when to be given	78. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Companies Act, 2013.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	79. Subject to the provisions of the Act and Article 77 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the “Transmission Clause”.
Refusal to register nominee	80. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	81. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
No fee on transfer or transmissions	82. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	83. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	84. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	85. The Company may, by Ordinary Resolution convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of stock	86. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	87. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	88. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	89. Subject to the provisions of Sections 73, 74 and 179 of the Companies Act, 2013 and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	90. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	91. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
Terms of issue of Debentures	92. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	93. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
Indemnity may be given	94. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

RELATED PARTY TRANSACTIONS

Title of Article	Article Number and contents
Related Party Transactions	<p>95. A. Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee.</p> <p>B. Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Regulations or any other law for the time being in force, with approval of the shareholders in the general meeting.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Annual General Meeting	<p>96.</p> <p>(a) An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next.</p> <p>(b) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time with which any Annual General Meeting may be held.</p> <p>(c) Every Annual General Meeting shall be called at a time during business hours</p> <p style="padding-left: 40px;">i.e. 9 a.m. to 6 p.m., on a day that is not a national holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>(d) The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.</p> <p>(e) Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p align="center">Auditor.</p> <p>(f) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.</p> <p>(g) The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act.</p>
Report statement and registers to be laid before the Annual General Meeting	<p>97. The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.</p>
Extra-Ordinary General Meeting	<p>98. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p>
Requisitionists' Meeting	<p>99.</p> <p>(1) Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified:-</p> <p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>i. In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;</p> <p>ii. In the case of any other requisition, not less than two weeks before the Meeting,</p>

Title of Article	Article Number and contents
	<p align="center">and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</p> <p>PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra Ordinary General Meeting</p>	<p>100.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
<p>Contents of requisition, and number of requisitionists required and the conduct of Meeting</p>	<p>101.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not, within twenty-one days from the date of the deposit of a</p>

Title of Article	Article Number and contents
	<p>valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) by the requisitionists themselves; or</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less.</p> <p>PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114 of the Companies Act, 2013.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition.</p> <p>PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of Meeting	<p>102.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
Contents and manner of service of notice and persons on whom it is to be served	<p>103.</p> <p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorized by Section 20 of the Companies Act, 2013;</p> <p>(b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) to the Auditor or Auditors for the time being of the Company</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
Special and ordinary business and explanatory statement	<p>104.</p> <p>(1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>105. The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>
Notice of business to be given	<p>106. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
Quorum	<p>107. The quorum for General Meetings shall be as under:-</p> <p>(i) five members personally present if the number of members as on the date of meeting is not more than one thousand;</p> <p>(ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>(iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p> <p>No business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Companies Act, 2013.</p>
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>108. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.</p>
Resolution passed at adjourned Meeting	<p>109. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.</p>
Chairman of General Meeting.	<p>110. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.</p>
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required	<p>111. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.</p>
Business confined to election of Chairman whilst the Chair is vacant	<p>112. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.</p>
Chairman may adjourn Meeting	<p>113.</p> <p>(a) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place</p> <p>(b) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	(c) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	114. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	115. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	116. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	117. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	118. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of scrutineers	119. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	120. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	121. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.
Postal Ballot	122. The Company may pass such resolution by postal ballot in the manner prescribed by Section 110 of the Companies Act, 2013 and such other applicable provisions of the Act and any future amendments or re-enactment thereof and as may be required by any other law including Listing Regulations as amended from time to time. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of

Title of Article	Article Number and contents
	postal ballot instead of transacting such business in a general meeting of the Company.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	123. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	124. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	125. Subject to the provisions of Article 123, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative), or by an agent duly authorized under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in sub-section (2) of Section 47 of Companies Act, 2013) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	126. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	127. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	128. (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions aforesaid shall be entitled to

Title of Article	Article Number and contents
	<p>exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
Votes in respects of deceased or insolvent Members	<p>129. Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.</p>
Voting in person or by proxy	<p>130. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 105 of the Companies Act, 2013.</p>
Rights of Members to use votes differently	<p>131. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses</p>
Proxies	<p>132. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.</p>
Proxy either for specified meeting or for a period	<p>133. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.</p>
No proxy to vote on a show of hands	<p>134. No proxy shall be entitled to vote by a show of hands.</p>
Instrument of proxy when to be deposited	<p>135. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.</p>
Form of Proxy	<p>136. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms as prescribed in the Companies Act, 2013, and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it.</p>
Validity of votes given by proxy notwithstanding revocation of authority	<p>137. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	138. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	139. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	140. If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	141. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Companies Act, 2013, the number of Directors shall not be less than three and not more than fifteen.
Appointment of Directors	142. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
Debenture Directors	143. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
Nominee Director or Corporation Director	<p>144.</p> <p>(a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription</p> <p>(b) or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places.</p> <p>(c) The Board of Directors of the Company shall have no power to remove from office the</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(d) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.</p> <p>(e) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(f) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
Special Director	<p>145.</p> <p>(a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person hereinafter in this clause referred to as “collaboration” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more then one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	make the appointment.
Limit on number of non-retiring Directors	146. The provisions of Articles 143, 144 and 145 are subject to the provisions of Section 152 of the Companies Act, 2013 and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.
Alternate Director	147. The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.
Directors may fill in vacancies	148. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.
Additional Directors	149. Subject to the provisions of Section 161 of the Companies Act, 2013 the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	150. A Director need not hold any qualification shares.
Directors' sitting fees	151. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.
Extra remuneration to Directors for special work	152. Subject to the provisions of Sections 188 and 197 of the Companies Act, 2013, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: i. by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii. by way of commission if the Company by a Special Resolution authorized such payment.
Traveling expenses incurred by Directors on Company's	153. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
business	as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
Director may act notwithstanding vacancy	154. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
Board resolution necessary for certain contracts	<p>155.</p> <p>(1) Subject to the provisions of Section 188 of the Companies Act, 2013, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:</p> <p>(a) For the sale, purchase or supply of goods, materials or services; or</p> <p>(b) for underwriting the subscription of any Share in or debentures of the Company;</p> <p>(c) nothing contained in clause (a) of sub-clause (1) shall affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or cpi company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business.</p> <p>PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>(b) Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(c) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(d) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(e) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director	<p>156. When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Companies Act, 2013 shall be complied with.</p>
Directors of interest General notice of disclosure	<p>157.</p> <p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on</p> <p>(b) behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Companies Act, 2013.</p> <p>(c) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 184 of the Companies Act, 2013 shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
Directors and Managing Director may contract with Company	<p>158. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Companies Act, 2013 and in this respect all the provisions of Section 184 and 189 of the Companies Act, 2013 shall be duly observed and complied with.</p>
Disqualification of the Director	<p>159. A person shall not be capable of being appointed as a Director of the Company if:-</p> <p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed form the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court, unless the leave of the Court has been obtained for his appointment.</p>

Title of Article	Article Number and contents
Vacation of office by Directors	<p>160. The office of Director shall become vacant if:-</p> <ul style="list-style-type: none"> (a) he is found to be of unsound mind by a Court of competent jurisdiction; or (b) he applies to be adjudged an insolvent; or (c) he is adjudged an insolvent; or (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Companies Act, 2013; or (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 184 of the Companies Act, 2013; or (i) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or (j) if by notice in writing to the Company, he resigns his office, or (k) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
Vacation of office by Directors (contd.)	<p>161. Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 160 hereof, the disqualification referred to in these clauses shall not take effect:</p> <ul style="list-style-type: none"> (a) for thirty days from the date of the adjudication, sentence or order; (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.
Removal of Directors	<p>162.</p> <ul style="list-style-type: none"> (a) The Company may subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 242 of the Companies Act, 2013 before the expiry of his period of office. (b) Special Notice as provided by these Articles or Section 115 of the Companies Act, 2013 shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed. (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting. (d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the

Title of Article	Article Number and contents
	<p>Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <ul style="list-style-type: none"> (i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and (ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting: <p>Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <ul style="list-style-type: none"> (e) A vacancy created by theremoval of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 161 of the Companies Act, 2013 be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. (f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 148 or Section 161 of the Companies Act, 2013 and all the provisions of that Article and Section shall apply accordingly Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors. (g) Nothing contained in this Article shall be taken:- <ul style="list-style-type: none"> (i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or (ii) as derogating from any power to remove a Director which may exist apart from this Article.
Interested Directors not to participate or vote in Board's proceedings	<p>163. No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.</p> <p>Provided however, that nothing herein contained shall apply to:-</p> <ul style="list-style-type: none"> (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely; <ul style="list-style-type: none"> (i) in his being: <ul style="list-style-type: none"> (a) a director of such company; and (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or (ii) in his being a member holding not more than two percent of its paid-up share capital.
Director may be directorof companies	<p>164. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company</p>

Title of Article	Article Number and contents
promoted by the Company	except in so far Section 197 or Section 188 of the Companies Act, 2013 may be applicable.

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	165. Not less than two third of the total number of Directors shall: (a) Be persons whose period of the office is liable to termination by retirement by rotation and (b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
Retirement of Directors	166. Subject to the provisions of Articles 145 and 147, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
Retiring Directors	167. Subject to the provisions of Section 152 of the Companies Act, 2013 and Articles 143 to 154, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 180, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical or Executive Directors	168. (a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. (b) Subject to the provisions of Section 161 of the Companies Act, 2013 if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
Ascertainment of Directors retiring by rotation and filling of vacancies	169. Subject to Section 152 of the Companies Act, 2013 the Directors retiring by rotation under Article 167 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
Eligibility for re-election	170. A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.
Company to fill vacancies	171. At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
Provision in default of appointment	172. (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless: (i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<ul style="list-style-type: none"> (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed. (iii) he is not qualified or is disqualified for appointment. (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or (v) section 162 of the Companies Act, 2013 is applicable to the case
Company may increase or reduce the number of Directors or remove any Director	<p>173. Subject to the provisions of Section 149 and 152 of the Companies Act, 2013 the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of Directors to be voted individually	<p>174.</p> <ul style="list-style-type: none"> (a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it. (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply. (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
Notice of candidature for office of Directors except in certain cases	<p>175.</p> <ul style="list-style-type: none"> (1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution. (2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office in such manner as may be prescribed. (3) Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013 signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed. (4) A person other than: <ul style="list-style-type: none"> (a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or (b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013 appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his

Title of Article	Article Number and contents
	<p align="center">term of office</p> <p>shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
Disclosure by Directors of their holdings of their Shares and debentures of the Company	176. Every Director and every person deemed to be Director of the Company by virtue of Section 170 of the Companies Act, 2013 shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.
Votes of Body Corporate	177. A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>178. Subject to the provisions of Section 196 and 203 of the Companies Act, 2013 the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable.</p> <p>(b) Subject to the provisions of Section 152 of the Companies Act, 2013 the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation.</p>
Remuneration of Managing Director	179. Subject to the provisions of Sections 196 and 197 of the Companies Act, 2013 a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
Special position of Managing Director	180. Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
Powers of Managing Director	181. The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
	182. The Company’s General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
	183. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.
	184. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
	185. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
Appointment and powers of Manager	186. The Board may, from time to time, appoint any person as Manager (under Section 2(53) of the Companies Act, 2013) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole-Time Director and/or Whole-time Directors	187. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 188 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
To what provisions Whole time Directors shall subject	188. Subject to the provisions of Section 152 of the Companies Act, 2013 and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall <i>ipso facto</i> and immediately ceases or otherwise

KHFM Hospitality and Facility Management Services Limited

	cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.
Seniority of Whole Time Director and Managing Director	189. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	190. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 173 of the Companies Act, 2013 allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
Quorum	<p>191.</p> <p>(a) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.</p> <p>PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time.</p> <p>(b) For the purpose of clause (a)</p> <p>(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(ii) "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p>
Procedure when Meeting adjourned for want of quorum	192. If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.
Chairman of Meeting	193. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.
Question at Board meeting how decided	194. Subject to the provisions of Section 203 of the Companies Act, 2013 questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
Powers of Board meeting	195. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
Directors may appoint Committee	196. The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Companies Act, 2013 and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
Meeting of the Committee how to be governed	197. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
Circular resolution	198. (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 197 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
Acts of Board or Committee valid notwithstanding defect in appointment	199. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	200. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;

Title of Article	Article Number and contents
	<p>(b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
<p>Certain powers to be exercised by the Board only at Meetings</p>	<p>201.</p> <p>(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;</p> <p>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,</p> <p>(b) the power to issue Debentures,</p> <p>(c) the power to borrow moneys otherwise than on Debentures,</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans</p> <p>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c),(d) and (e) to the extent specified below.</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>

Title of Article	Article Number and contents
Certain powers of the Board	<p>202. Without prejudice to the general powers conferred by the last preceding Article and so not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the</p> <p>last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <ol style="list-style-type: none"> (1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act. (3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit. (6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed. (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon. (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies. (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. (11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. (12) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. (13) To open bank account and to determine from time to time who shall be entitled to sign, on

Title of Article	Article Number and contents
	<p>the Company’s behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>(14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>(15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(17) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.</p> <p>(18) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to</p>

Title of Article	Article Number and contents
	<p>determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>(19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>(20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>(21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p>(22) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>(23) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>(24) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>(25) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>(26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>(27) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>(28) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(29) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(30) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(31) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(32) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(33) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(34) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

MANAGEMENT

Title of Article	Article Number and contents
Appointment of different categories of Key managerial personnel	203. The Company shall have the following whole-time key managerial personnel,— (i) managing director, or Chief Executive Officer or manager and in their absence, a whole-time director; (ii) company secretary; and (iii) Chief Financial Officer
Same person may be Chairperson of the Board and MD/CEO	203A. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

MINUTES

Title of Article	Article Number and contents
Minutes to be made	<p>204.</p> <p>(1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed: (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof</p>

Title of Article	Article Number and contents
	<p>by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>(b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.</p>
Minutes to be evidence of the proceeds Books of minutes of General Meeting to be kept	<p>205.</p> <p>(a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.</p> <p>(b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 and Section 120 of the Companies Act, 2013 and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.</p>
Presumptions	<p>206. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Companies Act, 2013 until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.</p>

THE SECRETARY

Title of Article	Article Number and contents
Secretary	<p>207. The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies Act, read with rules made thereunder.</p>
The Seal, its custody and use	<p>208.</p> <p>(a) The Board shall provide for the safe custody of the seal.</p> <p>(b) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	<p>209.</p> <p>(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;</p> <p>(b) No amount paid or credited as paid on a Share in</p> <p>(c) of calls shall be treated for the purpose of this Article as paid on the Shares.</p>

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
The Company at General Meeting may declare dividend	210. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	211. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 123 of the Companies Act, 2013.
Interim Dividend	212. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	213. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance to carry interest, not the right to earn dividend	214. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	215. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	216. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	217. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	218. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	219. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	220. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	221. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	<p>222.The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-</p> <ul style="list-style-type: none"> (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unpaid or unclaimed dividend	<p>223.</p> <p>(a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “KHFM Hospitality and Facility Management Services Private Limited (<i>year</i>) Unpaid Dividend Account”.</p> <p>(b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Companies Act, 2013.</p> <p>(c) No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
Set-off of calls against dividends	<p>224. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>225. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.</p>
Capitalisation	<p>226.</p> <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <ul style="list-style-type: none"> (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and (b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

KHFM Hospitality and Facility Management Services Limited

Title of Article	Article Number and contents
	<p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
Board to give effect	227. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.
Fractional certificates	<p>228.</p> <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power:</p> <p>(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also</p> <p>(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	<p>229.</p> <p>(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:</p> <p>(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place</p> <p>(b) all sales and purchases of goods by the Company</p> <p>(c) the assets and liabilities of the Company and</p> <p>(d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government</p> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in</p>

	<p>writing giving the full address of that other place.</p> <p>(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.</p>
Inspection by Members	230. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.
Statements of accounts to be furnished to General Meeting	231. The Board of Directors shall from time to time in accordance with Sections 129, 133, and 134 of the Companies Act, 2013, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136	<p>232.</p> <p>(1) The Company shall comply with the requirements of Section 136 of the Companies Act, 2013.</p> <p>(2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.</p> <p>(3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
Accounts to be audited	233. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
Appointment of Auditors	<p>234.</p> <p>(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 146 of the Companies Act, 2013.</p> <p>(2) The Company shall at each Annual General Meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The company shall place the matter relating to such appointment for ratification by members at every annual general meeting. The company shall also inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.</p> <p>(3) The company or shall not appoint or re-appoint—</p> <p>(a) an individual as auditor for more than one term of five consecutive years; and</p> <p>(b) an audit firm as auditor for more than two terms of five consecutive years:</p> <p>Provided that—</p> <p>(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;</p>

KHFM Hospitality and Facility Management Services Limited

	<p>(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term:</p> <p>(4) Subject to the provisions of Clause (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if—</p> <p>(a) he is not disqualified for re-appointment;</p> <p>(b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and</p> <p>(c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.</p> <p>(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.</p> <p>(6) Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.</p> <p>(7) Special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under Clause (3).</p>
<p>Accounts when audited and approved to be conclusive except as to errors discovered within 3 months</p>	<p>235. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.</p>

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
<p>To whom documents must be served or given</p>	<p>236. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company</p>
<p>Members bound by documents or notices served on or given to previous holders</p>	<p>237. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.</p>
<p>Service of documents on the Company</p>	<p>238. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.</p>
<p>Authentication of documents and proceedings</p>	<p>239. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company.</p>

REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>240. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> (a) Register of investments made by the Company but not held in its own name, as required by Section 187 of the Companies Act, 2013 (b) Register of mortgages and charges as required by Section 85 of the Companies Act, 2013 and copies of instruments creating any charge requiring registration according to Section 85 of the Companies Act, 2013. (c) Register and index of Members and debenture holders as required by Section 88 of the Companies Act, 2013. (d) Foreign register, if so thought fit, as required by Section 88 of the Companies Act, 2013. (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Companies Act, 2013. (f) Register of Directors and Secretaries etc. as required by Section 170 of the Companies Act, 2013. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 170 of the Companies Act, 2013. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 186 of the Companies Act, 2013. (i) Copies of annual returns prepared under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Companies Act, 2013.
Inspection of Registers	<p>241. The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p>

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	<p>242. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.</p>

Title of Article	Article Number and Contents
Distribution in specie or kind	<p>243.</p> <p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.</p> <p>(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except</p> <p>where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	<p>244. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.</p>
Directors and others right to indemnity	<p>245. Every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.</p>
Director, officer not responsible for acts of others	<p>246. Subject to the provisions of Section 201 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p>

SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	247. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	248. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

GENERAL

Title of Article	Article Number and Contents
General Power	249. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus delivered to the Registrar of Companies, Mumbai, Maharashtra for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office of our Company from 10.00 am to 5.00 pm on Working Days from the date of this Draft Prospectus until the Issue Closing Date.

A Material Contracts to the Issue

1. Issue Agreement dated September 06, 2018 entered into among our Company and the Lead Manager.
2. Agreement dated August 29, 2018, entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated June 26, 2018 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated July 05, 2018 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement dated [●] between our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated September 06, 2018 between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated September 06, 2018 between our Company, the Lead Manager and the Underwriter.

B Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated January 27, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai.
3. Fresh Certificate of Incorporation dated August 10, 2012 issued by the Registrar of Companies, Mumbai, Maharashtra consequent upon change of name from Kalpatarus Hospitality and Facility Management Services Private Limited To KHFM Hospitality and Facility Management Services Private Limited.
4. Fresh Certificate of Incorporation dated May 30, 2018 issued by the Registrar of Companies, Mumbai, Maharashtra consequent upon conversion of the Company to Public Company.
5. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated August 24, 2018 and August 25, 2018, respectively, authorizing the Issue and other related matters.
6. Copies of the Audited Financial Statements of our Company for the financial year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.
7. Peer Review Auditor's report for Restated Financials dated September 06, 2018 included in this Draft Prospectus.
8. Copy of the Statement of Tax Benefits dated August 10, 2018 from the Statutory Auditor M/s SVK & Associates, Chartered Accountants.
9. Consents of Bankers to our Company, the Lead Manager, Registrar to the Issue, Legal advisor, Promoters of our Company, Directors of our Company, Chief Financial Officer and Company Secretary and Compliance Officer, Statutory Auditor and Peer Review Auditor as referred to act, in their respective capacities.
10. Board Resolution dated September 11, 2018 for approval of Draft Prospectus, dated [●] for approval of Prospectus
11. Due Diligence Certificate from Lead Manager dated September 11, 2018 to be filed with NSE.
12. Due Diligence Certificate from Lead Manager dated [●] to be filed with SEBI.
13. In-principle approval from NSE vide letter dated [●] to use their name in the Prospectus for listing the Equity Shares on the SME Platform of NSE (NSE Emerge).

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ravindra M Hegde <i>Managing Director</i>	Sd/-
Sujata Hegde <i>Executive Director</i>	Sd/-
Saurav Hegde <i>Non-Executive Director</i>	Sd/-
Brahm Pal Singh <i>Independent Director</i>	Sd/-
Ravi Vimal Nevatia <i>Independent Director</i>	Sd/-
Abhibrat Shanker Das <i>Independent Director</i>	Sd/-

SIGNED BY CHIEF FINANCIAL OFFICER:

Sd/-
Naveen Carvalho
Chief Financial Officer

SIGNED BY COMPANY SECRETARY AND COMPLIANCE OFFICER:

Sd/-
Anubhav Shrivastava
Company Secretary and Compliance Officer

Date: September 11, 2018

Place: Mumbai