Date: September 06, 2024

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

Company Symbol: KHFM (Series: SM)

Subject: Outcome of the Board Meeting.

Dear Sir,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") the Board of Directors at their meeting held on Friday, 6th September, 2024, at the registered office of the Company considered and approved the below matters:

1. Considered and Approved Annual Report for the Financial Year 2023-24.
2. Decided to hold 18th Annual General Meeting of the Company on Monday, 30th September, 2024 at 04.00 P.M. through Audio – Video Method.
3. Approved the Notice convening the 18th Annual General Meeting of the Members of the Company and fixed book closure date from 24th September 2024 till 30th September, 2024 (both days inclusive) for the purpose of Annual General Meeting and Payment of Dividend.
4. Approved appointment of M/s. Mishra & Associates as Scrutinizer for 18th Annual General Meeting of the Members of the Company
5. Approved appointment of M/s. C. C. Talreja & Co. as Internal Auditor of the Company for the F.Y. 2024-25.
6. Approved appointment of M/s. Mishra and Associates as Secretarial Auditor of the Company for the F.Y. 2024-25.
7. Approved appointment of M/s. YRKDAJ and Associates LLP (FRN: W100288) to fill the causal vacancy caused by resignation of Auditor.
8. Proposed the appointment of M/s. YRKDAJ and Associates LLP for the period of Five Years

The requisite disclosure as required as per the Regulation is enclosed herewith.

You are requested to take on record our abovementioned information for your reference and further needful.

The Meeting commenced at 4.00 PM and concluded at 4.50 PM

For and Behalf of
KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Ravindra Malinga Hegde
(Managing Director)
DIN: 01821002

Place: Mumbai

KHFM

Hospitality & Facility Management Services

ANNUAL REPORT 2023-24

BOARD OF DIRECTORS & KMP

MR. RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR

MRS SUAJTA RAVINDRA HEGDE
DIRECTOR & CFO

MR. SAURAV RAVINDRA HEGDE
DIRECTOR

MR. GIRISH GOBINDRAM RAMNANI
INDEPENDENT DIRECTOR

MR. KAPILDEO RAMSWARUP AGRAWAL
INDEPENDENT DIRECTOR

MR. PRABHAKAR REDDY PATIL
INDEPENDENT DIRECTOR

MR. AKASH ANANT BATE
COMPANY SECRETARY & COMPLIANCE OFFICER

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

CIN: L74930MH2006PLC159290
Registered Office: 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East), Mumbai– 400059
Tel: +91 22 2851 1234 **Fax:** +91 22 2859 1483
Website: www.khfm.in, **Email:** cs@khfm.in/sales@khfm.in,

AUDITORS

Statutory Auditor	Internal Auditor	Secretarial Auditor
M/s. GTA & Co LLP Chartered Accountants (Resigned w.e.f. 19th August, 2024)	**C.C. Talreja & Co. Chartered Accountants**	**Mishra & Associates Practicing Company Secretaries**
Cathedral Bldg, 1st Flr, Off – 06, Opp Liberty Talkies, Residency Road, Nagpur - 440001.	Shop No. 15, Mona Market, Near Fish Market, Ulhasnagar, Thane-421001.	B/31, 6th Floor, Chaddha Apartment, Teli Galli Cross Lane, Near GK Gokhale Bridge, Andheri (E), Mumbai – 400069

REGISTRAR AND SHARE TRANSFER AGENTS

BIG SHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6th floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093, India.
Tel:+91-022-62638200, Fax: +91-022-62638299,
Email: investor@bigshareonline.com

DEPOSITORIES	BANKERS	SHARE LISTED AT
National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL) **ISIN No:** INE00UG01014	Apna Sahakari Bank, Bank of India Central Bank of India State Bank of India	SME Platform of National Stock Exchange of India Limited i.e. NSEmerge Scrip Code- **"KHFM"**

CONTENT OF THE REPORT

- LETTER TO SHAREHOLDERS
- NOTICE OF THE ANNUAL GENERAL MEETING
- DIRECTORS REPORT
- MANAGEMENT DISCUSSION AND ANALYSIS REPORT
- SECRETARIAL AUDIT REPORT
- STANDALONE FINANCIAL STATEMENT
- CONSOLIDATE FINANCIAL STATEMENT

Dear Shareholders,

I extend a warm welcome to each and every one of you at the 18th Annual General Meeting of KHFM Hospitality and Facility Management Services Limited. It is indeed a privilege to have you here as we reflect on the company's performance for the Financial Year 2023-24 and discuss our future prospects.

First and foremost, I hope that all of you have navigated the challenges posed by the pandemic in good health. The world and the Indian economy are slowly recovering, and I am pleased to say that your Company is also making steady progress towards pre-pandemic levels.

During the year, our company undertook a major financial operation that had a profound impact on our future prospects. As you are all aware, Last year, we had Rights Issue, offering 1,00,19,200 fully paid-up equity shares, this year your Company has allotted Equity shares and Share Warrants on Preferential basis to the Promoter and Non-Promoter Shareholders.

I want to extend my heartfelt gratitude to each and every one of you. Your support and participation in this Preferential have provided us with the capital necessary to pursue our growth plans, innovate, and continue delivering value to our shareholders. Your unwavering support empowers us to march ahead with confidence, knowing that our shareholders are not just investors, but partners in our journey.

I must acknowledge the unwavering dedication of our staff and associates during these trying times. They have not only sustained our business but have also garnered trust and goodwill from our customers. Our leadership teams have played a crucial role in guiding us through this journey, and I express my heartfelt gratitude to each of them.

The macro picture

The current landscape of the Indian facility management industry is primarily dominated by in-house service providers. However, there is a growing trend of outsourcing these services, contributing to the industry's expansion. The increasing demand for integrated facility management solutions is a significant driver of this growth. The integrated sector within the industry is expected to experience further expansion as the industry transitions toward a more organized structure. Although the sector is presently characterized by fragmentation, with a prevalence of small, unorganized operators, larger players are progressively acquiring smaller ones, leading to increased organization within the sector. Among end-use industries, the commercial sector holds a prominent position in the Indian market, followed by industrial and other sectors. Industries such as IT, BPO, and BFSI are increasingly outsourcing their facility management services, contributing to the growth of the industry. The concentration of the industry is primarily observed in Tier 1 and metro cities, with Pune and Mumbai expected to witness significant growth in the coming years.

The Indian facility management market is poised for substantial growth in the forecast period from 2023 to 2028, with a projected Compound Annual Growth Rate (CAGR) of 17%.

On a global scale, the facility management industry is experiencing rapid growth, fueled by the outsourcing trend adopted by companies. The rise of integrated facility management services is

particularly prominent in the Asia Pacific region. This region, including rapidly growing economies like India and China, is a major contributor to the global growth of the industry. The Asia Pacific region, characterized by its burgeoning population, further boosts the market's expansion.

Your Company's Performance

Your Company's standalone revenue from operations for the financial year ending 31st March, 2024 stood at Rs. 10744.51 Lakh as compared to previous year Rs. 8889.78 Lakh during the previous financial year. The Company has achieved Standalone EBIDTA (including other income) of Rs. 1042.27 Lakh during the financial year 2024 as against that of EBIDTA of Rs. 928.62 Lakh for the previous financial year 2023. The Standalone profit before tax for the financial year under review is 476.07 Lakh as compared to previous year Rs. 301.39 Lakh.

As we look ahead, we are optimistic about the growth prospects in the upcoming fiscal year. Our focus is on aligning our infrastructure and expansion strategies to harness the growth in the manufacturing of refractory material industry. Additionally, we are exploring avenues in construction, façade renovation, and related services to diversify our portfolio and ensure stable revenue growth.

I would like to take this opportunity to recognize the hard work and dedication of our exceptional employees. Their commitment to excellence continues to drive our success. I extend my gratitude to all of you for your ongoing support, commitment, and trust in our journey.

I also express my appreciation to our colleagues, Board Members, Management, Regulatory authorities, and stakeholders for their continuous support as we move forward in our pursuits. Our commitment to sustainable growth and value creation for all stakeholders remains unwavering.

In closing, I wish you and your families a safe and healthy year ahead. I look forward to sharing our progress and achievements in the coming times.

Yours Sincerely

Sd/-

Ravindra Malinga Hegde
Managing Director

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
CIN: L74930MH2006PLC159290
Registered Office: 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East) Mumbai– 400059
Tel: +91 22 2851 1234 **Fax:** +91 22 2859 1483
Website: www.khfm.in, **Email:** cs@khfm.in/sales@khfm.in,

NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Members of KHFM Hospitality and Facility Management Services Limited will be held on Monday, 30th September, 2024 at 04:00 P.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

(a) the audited standalone financial statement of the Company for the financial year ended March 31, 2024, the reports of Statutory Auditor thereon; and

(b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and report of Statutory Auditor thereon, and in this regard,

2. To declare a final dividend Rs. 0.50/- (Fifty Paise Only) per Equity Share for the Financial Year 2023-2024 as recommended by the Board of Directors.

3. To approve re-appointment of Mr. Saurav Ravindra Hegde (DIN: 08116567), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Statutory Auditor to fill the Casual Vacancy.

To appoint Statutory of the Company to and to fix their remuneration and if thought fit, to pass the with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or enactment thereof for the time being in force), upon the recommendation of the Audit Committee, M/s YRKDAJ and Associates LLP (FRN: W100288), be and is hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. GTA and Co. LLP, Chartered Accountants (FRN: 105482W/W100817), at such remuneration and terms and conditions as may be determined and recommended by Audit Committed in consultation with Auditor and duly approved the Board of Directors of the Company.

RESOLVED FURTHER THAT M/s YRKDAJ and Associates LLP (FRN: W100288), be and is hereby appointed as statutory auditor of the Company to hold office until the conclusion of 18th Annual General Meeting of the Company.

RESOLVED FURTHER THAT any Director/ Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with the Registrar of Companies."

5. **Appointment of Statutory Auditor for the period of Five (5) Years.**
To appoint Statutory of the Company to and to fix their remuneration and if thought fit, to pass the with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or enactment thereof for the time being in force), upon the recommendation of the Audit Committee, M/s YRKDAJ and Associates LLP (FRN: W100288), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 18th Annual General Meeting for a period of Five (5) Years till the conclusion of 23rd Annual General Meeting at such remuneration and terms and conditions as may be determined and recommended by Audit Committed in consultation with Auditor and duly approved the Board of Directors of the Company.

RESOLVED FURTHER THAT any Director/ Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with the Registrar of Companies."

BY ORDER OF THE BOARD OF DIRECTORS

FOR KHFM HOSPITALITY AND FACILITY

MANAGEMENT SERVICES LIMITED

Sd/-

DATE: SEPTEMBER 06, 2024 **RAVINDRA MALINGA HEGDE**

PLACE: MUMBAI **MANAGING DIRECTOR**

DIN: 01821002

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 of the Notice, is annexed

hereto. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

2. Ministry of Corporate Affairs (MCA), vide General Circular No. 10/2022 dated December 28, 2022 & Securities and Exchange Board of India vide circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, has allowed the Companies to conduct AGM through VC/OAVM on or before September 30, 2023, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI LODR, 2015 and MCA Circulars & SEBI Circulars, the AGM of the Company is being held through VC/OAVM.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF ANDSUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total Share Capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated, are provided.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2024 to 30th September, 2024 (both days inclusive) in the terms of the provisions of the Companies Act, 2013 and the Listing Agreement for the purpose of the Annual General Meeting.

8. The voting rights of member(s) shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, 23rd September, 2024. A person whose name is recoded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Monday, 23rd September, 2024 only shall be entitled to avail the facility of remote e-voting. A person who is not member as on the cut-off date should treat this notice for information purpose only.

9. The Annual General Meeting notice will also be available on the website of the Company www.khfm.in under the investor section.

10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.

11. All documents referred to in the Notice as available for inspection will be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of the AGM i.e. 30th September, 2024. Members seeking to inspect the documents can send an email to cs@khfm.in.

12. Notice of the Meeting is being sent by electronic mode to those member(s) whose e-mail IDs are registered with the Company/Depository Participant(s) unless any member has requested for physical copy of the same. For member(s) who have not registered their e-mail IDs, physical copy of the Notice of the Meeting is being sent in the permitted mode.

13. Record Date and Dividend: The Record Date for the purpose of payment of dividend for the financial year ended March 31, 2024, is September 23, 2024. The dividend of Rs. 0.50 per equity share of Rs. 10 each, (5%) if approved by the Members at the AGM, will be paid subject to deduction of tax at source ('TDS'), on or after 30th September, 2024, by way of electronic mode as under: Since the entire shareholding of the company is in dematerialized form, dividend will be payable to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by Depositories at the close of business hours on September 23, 2024.

14. Updating of mandate for receiving dividend directly in bank account through Electronic Mode or any other means in a timely manner: Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nomination, power of attorney, bank details, bank account number, MICR code, IFSC, etc. as under: Members holding shares in electronic form may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, Members holding shares in electronic form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by September 30, 2024

15. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:

16. The change in the residential status on return to India for permanent settlement.

17. The particulars of the NRE Account with a Bank in India, if not furnished earlier.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts.

19. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the Regulation 31(1)(b) of the SEBI (LODR) Regulation, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Bigshare, Resolution(s) passed by Members through e-voting is deemed to have been passed as if they have been passed at the AGM.

20. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

21. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

22. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

23. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

24. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with Bigshare Services Privste Limited (Bigshare) for facilitating voting through

electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by Bigshare.

26. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at https://www.khfm.in/annual-reports/. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of Bigshare (agency for providing the Remote e-Voting facility).

27. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Friday, September 27, 2024 at 09:00 A.M. and ends on Sunday, September 29, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by Bigshare for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 23, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 23, 2024.

i. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

ii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

    In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iii. In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1. Pursuant to above said SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of **BIGSHARE** the e-Voting service provider and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. **BIGSHARE**, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-voting period.
Individual	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once

Shareholders holding securities in demat mode with **NSDL**	the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be redirected to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

2. **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**LOGIN**" button under the '**INVESTOR LOGIN**' section to Login on E-Voting Platform.
- Please enter you '**USER ID'** (User id description is given below) and '**PASSWORD'** which is shared separately on you register email id.
    - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
    - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
    - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note *If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.
  NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on '**Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.
  (In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on **"VOTE NOW"** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

3. **Custodian registration process for i-Vote E-Voting Website:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with **"User id and password will be sent via email on your registered email id"**.

  NOTE: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**.

  (In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.

- Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
- Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".
  Note: The power of attorney (POA) or board resolution has to be named as the "**InvestorID.pdf**" (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. **Procedure for joining the AGM/EGM through VC/ OAVM:**

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at https://ivote.bigshareonline.com under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on "VC/OAVM" link placed beside of "**VIDEO CONFERENCE LINK"** option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.

- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.

- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

EXPLANATORY STATEMENT UNDER SECTION 102 OF COMPANIES ACT, 2013 FOR ITEM NUMBER 4 AND 5

Appointment of M/s YRKDAJ and Associates LLP (FRN: W100288), as Statutory Auditors of the Company:

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on September 06, 2024 has appointed Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on September 06, 2024 has appointed M/s YRKDAJ and Associates LLP (FRN: W100288) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s GTA and Co. LLP, Chartered Accountants (FRN: 105482W/W100817) w.e.f. 19.08.2024. In this connection this is to inform the members that in accordance with the provisions of Section 139 (8) of the Companies Act, 2013, such appointment shall also be approved by the members of the Company at a general meeting convened within three (3) months of the recommendation of the Board and he shall hold the office till the conclusion of the forthcoming annual general meeting.

Also, the Board considered various parameters like capability of M/s YRKDAJ and Associates LLP (FRN: W100288) to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc. The Board found M/s Ravi Rajan & Co. LLP (FRN: 009073N/N500320) to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. Therefore, considering the experience and expertise of M/s Ravi Rajan & Co. LLP (FRN: 009073N/N500320), in compliance with the provisions of Section 139 of the Companies Act, 2013 the Board, considering the recommendation of the Audit Committee, recommended the proposal to appoint them as Statutory Auditors of the Company for a period of Five (5) consecutive years commencing from August 06, 2024 till the conclusion of the AGM to be held in the year 2029.

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

Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002

DATE: SEPTEMBER 06, 2024
PLACE: MUMBAI

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/CHANGE IN REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to the provisions of Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standards on General Meetings ("SS-2") issued by ICSI**)**

Item 3: To appoint a Director in place of Mr. Saurav Ravindra Hegde (DIN: 08116567), who retires by rotation and being eligible, offers herself for re-appointment as a Director

Name of the Director	**Saurav Ravindra Hegde**
Date of Birth	24/04/1996
Date of First Appointment	April 23, 2018
Qualification & Expertise	Graduate
No. of Equity Share held in the Company as on 31st March, 2024	6,303 Shares
Relationship with Other Directors of the Company & Their Shareholding in the company	He is Son of Mrs. Sujata Ravindra Hegde and Mr. Ravindra Malinga Hegde holding 10,32,300 Shares and 64,78,778 Shares respectively
Year of Experience	6 Years
Remuneration Last Drawn by such person, if any	9 Lakhs
Terms and conditions of appointment/ re-appointment & Remuneration sought for	N.A.
Area of expertise in specific functional areas/ Brief resume of Director	He has been the Director of the Company since 2018. He has experience of around 6 years of handling Financial and Administrative activities of our Company.
No. of Meeting of the Board attended during the year	5
List of outside Directorship held in other companies	NIL
Chairman/Member of the Committee of the Board of Directors of other Companies	Member in Stakeholder's Relationship committee

Dear Members,

Your Director's are pleased to present the **18th Annual Report** on the affairs of the Company together with the Audited Financial Statements for the financial year ended on **March 31, 2024.**

1. FINANCIAL HIGHLIGHTS/ PERFORMANCE OF THE COMPANY:

The Company's financial performance (Standalone and Consolidated) during the financial year ended **31st March, 2024** are summarized in the following table:

(In Rs. Lakhs)

PARTICULARS	Standalone		Consolidated	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
Turnover	10744.51	8,889.78	11209.48	9,023.49
Other Income	66.55	81.28	67.33	81.28
Profit Before Depreciation, Interest and Tax	**1042.26**	**928.59**	**11276.81**	**941.23**
Interest	507.76	594.12	532.81	597.32
Profit Before Depreciation and Tax	**534.51**	**334.47**	**510.71**	**343.91**
Depreciation and amortization expense	58.44	33.11	58.65	33.19
Profit Before Tax	**476.06**	**301.36**	**452.06**	**310.72**
Tax Expenses:				
Current Tax	(82.04)	8.07	(74.16)	11.23
Reversal of Provision of Income Tax	64.17	81.39	63.79	81.39
Deferred Tax	147.48	(74.65)	147.51	(74.65)
Profit / (Loss) for the Year	**346.46**	**286.58**	**314.92**	**292.76**

2. COMPANY'S PERFORMANCE REVIEW:

The audited financial statements of the Company are drawn up, both on standalone and consolidated basis, for the financial year ended 31st March, 2024, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Act, read with relevant rules and other accounting principles.

Your Company's standalone revenue from operations for the financial year ending 31st March, 2024 stood at Rs. 10744.51 Lakh as compared to previous year Rs. 8889.78 Lakh during the previous financial year. The Company has achieved Standalone EBIDTA (including other income) of Rs. 1042.27 Lakh during the financial year 2024 as against that of EBIDTA of Rs. 928.62 Lakh for the previous financial year 2023. The Standalone profit before tax for the financial year under review is 476.07 Lakh as compared to previous year Rs. 301.39 Lakh.

Your Director's express their satisfaction on the overall financial performance and the progress made by the Company during the year under review.

3. DIVIDEND

Your Directors has declared a Final Dividend of Rs. 0.50 per Equity Share of face value of Rs. 10/- each for the financial year ended on March 31, 2024, subject to approval of the Shareholders at the ensuing Eighteenth Annual General Meeting of the Company ("18th AGM") which if approve will absorb Rs. 104.39 Lakhs

4. UNPAID DIVIDEND &IEPF:

The Company is not required to transfer any amount to the Investor Education & Protection Fund (IEPF) and have unclaimed dividend which remains to be transferred to Investor Education & Protection Fund (IEPF).

Financial Year	Type of Dividend	Rate (%)	Date of Declaration	Date of Transfer to IEPF	Amount Transferred to Unpaid Unclaimed Dividend Account
2018-19	Final Dividend	5%	25/09/2019	02/10/2026	4500/-
2019-20	Final Dividend	2.5%	30/09/2020	07/10/2027	6438/-

5. TRANSFER TO RESERVES

No amount has been transferred to reserves and the profit for the year has been retained in the profit and loss account.

6. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

7. CHANGES IN NATURE OF THE BUSINESS, IF ANY

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

8. SHARE CAPITAL

During the Year under review, Company in their Extra – Ordinary General Meeting of Shareholders have passed the resolution to increase the Authorised Share Capital of the Company from Rs. 21,00,00,000/- (Rupees Twenty Crores) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores).

Also, Shareholders have approved:

- Issue of 1,51,900 Equity Shares to Mr. Ravindra Malinga Hegde by Way of Conversion of Loan to Equity.
- Issue of 7,68,800 Fully Paid Equity Shares on Preferential Basis to the Non-Promoter Category.
- Issue of 22,32,000 Warrants (Equity Convertible Warrants) on Preferential Basis to Entities Belonging to the Promoter & Non-Promoter Category.

Company in their Board Meeting held on 2nd May, 2024 have allotted 1,51,900 Equity Shares to Mr. Ravindra Malinga Hegde by Way of Conversion of Loan to Equity and 6,85,100 Equity Shares to Non – Promoter Shareholders.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

10. PUBLIC DEPOSITS

During the year under review your company has not accepted any deposits falling within the meaning of Section 73 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

12. REPORT ON THE PERFORMANCE OF SUBSIDIARIES, ASSOCIATES COMPANIES, AND JOINT VENTURES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

During the FY 2023-24, the Company had One (1) Subsidiary. The Company does not have any Associate Companies and Joint Venture Company.

The performance and financial position of each of the subsidiaries and associates for the year ended March 31, 2024 in the prescribed format of **Form AOC-1** is attached as **"Annexure II"** to the Board's Report of the Company and forms a part of this Annual Report.

There is no material change in the nature of the business of Subsidiaries or Associate Companies during the year under review.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Ravindra Malinga Hegde have been re-appointed as Managing Director of the Company for further period of Five Years with effect from August 24, 2023 for a period of Five (5) Years till August 23, 2028. Further, Mr. Prabhakar R. Patil, have been appointed as Non – Executive Independent Director of the Company with effect from September 04, 2023 and Mr. Brahm Pal Singh have resigned from the post of Non – Executive Independent Director with effect from October 04, 2023.

Mr. Rahul Krishna Pathak, have resigned from the post of Company Secretary & Chief Financial Officer with effect from February 17, 2024.

Mr. Akash Anant Bate have been appointed as company secretary and Mrs. Sujata Ravindra Hegde have been appointed as CFO on the board of the company with effect from 14th May 2024.

i. The Directors and Key Managerial personnel of the Company as on 31st March, 2024 are as below:

Sr.No.	Name	Designation	DIN/PAN
1.	Ravindra Malinga Hegde	Managing Director	01821002
2.	Sujata Ravindra Hegde	Executive Director	01829352
3.	Saurav Hegde	Executive Director	08116567
4.	Girish Ramnani	Independent Director	09362318
5.	Kapildeo Agrawal	Independent Director	09679952
6.	Prabhakar Patil	Independent Director	00377406

ii. Retire by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the Office of Mr. Saurav Ravindra Hegde (DIN: 01829352), Director liable to retire by rotation at this Annual General Meeting,

and being eligible, he has offered himself for re-appointment. Accordingly, the proposal for his re-appointment has been included in the Notice convening the Annual General Meeting of the Company.

A brief resume of Director seeking appointment/re-appointment consisting nature of expertise in specific functional areas and name of Companies in which they hold directorship and/or membership/chairmanships of the Committees of the respective Boards, Shareholding and relationship between Directorship inter-se as stipulated under Reg. 36(3) of SEBI (LODR) Regulations, 2015 are given in Section of the notice of AGM forming part of the Annual Report.

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

The Company has duly complied with the definition of 'Independence' in according to the provisions of Section 149(6) of, read with Schedule IV- Code of Independent Directors to, the Companies Act, 2013 and Regulation 16 (1) (b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended). All the Independent Director/s, have submitted a declaration that he/she meets the criteria of independence and submits the declaration regarding the status of holding other directorship and membership as provided under law. The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Board and Senior Management as per Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors affirmed that none of them were aware of any circumstance or situation which could impair their ability to discharge their duties in an independent manner.

iv. Company's Policy on Directors' Appointment and Remuneration etc.

The Company has devised, inter alia, a policy on Director's appointment and Remuneration including Key Managerial Personnel and other employees. This policy outlines the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as Directors of the Company and that remuneration is directed towards rewarding performance based on Individual as well as Organizational achievements and Industry benchmarks.

There has been no change in the policy during the year under review.

The aforesaid policy is available on the website of the Company at https://www.khfm.in

v. Disqualification of Directors:

During the financial year 2023-2024 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

14. COMMITTEES OF THE BOARD

As on March 31, 2024, the Board has constituted various committees in accordance with the provisions of the Companies Act, 2013, the details of which are given as under:

i. Audit Committee
ii. Nomination and Remuneration Committee
iii. Stakeholder Relationship Committee

i. Audit Committee:

Your Company has constituted an Audit Committee ("Audit Committee") as per section 177 of the Companies Act, 2013.

The composition of the Audit committee as follows: -

Name of the Director/Member	Designation	Nature of Directorship
Mr. Girish Ramnani	Chairperson	Independent & Non - Executive Director
Mr. Kapildeo Agrawal	Member	Independent & Non - Executive Director
Mr. Ravindra Malinga Hegde	Member	Managing Director

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

During the Financial Year 2023-24, the Audit Committee of the Board of Directors met Five times viz 30.05.2023, 04.09.2023, 04.10.2023, 09.11.2023 and 15.02.2024.

<u>The Role and powers of the committee are as under:</u>

1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4) Reviewing, the annual financial statements before submission to the board for approval, with particular reference to:
   a) Matters required to be included in the Directors Responsibility Statement 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.
g) Modified opinion(s) in the draft audit report.

5) Reviewing, with the management, the half yearly 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 utilization 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 of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9) Scrutiny of inter-corporate loans and investments.
10) Valuation of undertakings or assets of the Company, wherever it is necessary.
11) Evaluation of internal financial controls and risk management systems.
12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13) 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.
14) Discussion with internal auditors on any significant findings and follow up there on.
15) 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.
16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17) 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.
18) To review the functioning of the Whistle Blower mechanism, in case the same exists.
19) Approval of appointment of CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
20) To overview the Vigil Mechanism of the Company and take appropriate actions in case of repeated frivolous complaints against any Director or Employee.
21) To implement Ind AS (Indian Accounting Standards), whenever required.
22) Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

a. Management Discussion and Analysis of financial condition and results of operations.

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
c. Management letters / letters of internal control weaknesses issued by the statutory auditors.
d. Internal Audit Reports relating to Internal Control Weaknesses.
e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee.

23) Statement of deviations:

a. Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

ii. Nomination & Remuneration Committee

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013.

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

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

Name of the Director/Member	Designation	Nature of Directorship
Mr. Prabhakar R.Patil	Chairman	Independent & Non - Executive Director
Mr. Girish Ramnani	Member	Independent & Non - Executive Director
Mr. Kapildeo Agrawal	Member	Independent & Non - Executive Director

During the Financial Year 2023-2024, the Nomination and Remuneration Committee of the Board of Directors met Five times viz 30.05.2023, 04.09.2023, 04.10.2023, 09.11.2023 and 15.02.2024.

ROLE OF THE COMMITTEE:

Role of Nomination and Remuneration Committee are as under:

a) 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 associates.
b) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
c) Devising a policy on diversity of Board of Directors.
d) 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.
e) 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.
f) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

iii. Stakeholders Relationship Committee

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

The composition of the Stakeholders Relationship Committee is as under:

Name of the Director/Member	Designation	Nature of Directorship
Mr. Girish Ramnani	Chairman	Independent & Non - Executive Director
Mr. Sujata Ravindra Hegde	Member	Executive Director
Mr. Suarav Ravindra Hegde	Member	Executive Director

During the Financial Year 2023-2024, the Stakeholders Relationship Committee of the Board of Directors met Two times viz 04.10.2023 and 15.02.2024.

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company.
The terms of reference of the Investor Grievance Committee include the following:

a. Redressal of shareholders'/investors' complaints;
b. 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;
c. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
d. Non-receipt of declared dividends, balance sheets of the Company; and

e. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure
b) Requirements) Regulations, 2015.

The details of Investors' complaints received and resolved during the year 2023-2024 are as under:

No. of Investors' Complaints received during the year 2023-24	No. of Investors' Complaints resolved during the year 2023-24	No. of Investors' Complaints pending as on 31st March, 2024
0	0	0

15. BOARD MEETINGS HELD DURING THE YEAR

The Board oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served in order to effectively perform its responsibility of oversight. In compliance with the statutory requirements, and to provide a focused discharge of its responsibilities, the Board has constituted various committees with necessary terms of reference.

During the year 2023-24, Five (5) Board Meetings were held on 30th May, 2023, 4th September, 2023, 4th October, 2023, 9th November, 2023, and 15th February, 2024. The maximum interval between any two meetings was not more than 120 (one hundred and twenty) days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of the Listing Regulations and the Secretarial Standards-1 issued by Institute of Company Secretaries of India.

Sr. No.	Name of the Director	**No. of Board Meetings**	
		Entitled to attend	**Attended**
1.	Ravindra Malinga Hegde	**5**	**5**
2.	Sujata Ravindra Hegde	**5**	**5**
3.	Saurav Hegde	**5**	**5**
4.	Girish Ramnani	**5**	**5**
5.	Kapildeo Agrawal	**5**	**5**
6.	Prabhakar Patil	**3**	**3**

16. FORMAL ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Sections 134, 178 and Schedule IV of the Companies Act, 2013. Evaluation was done after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, performance of specific duties, independence, ethics and values, attendance and contribution at meetings etc.

The performance of the Independent Directors was evaluated individually by the Board after seeking inputs from all the directors on the effectiveness and contribution of the Independent Directors.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board reviewed the performance of the individual Directors on the basis of the contribution of the individual Director during Board and Committee meetings.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, and the performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The Independent Directors also assessed the quality, frequency and timeliness of flow of information between the Board and the management that is necessary for effective performance.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year under review are in conformity with the requirements of the Companies Act, 2013 and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations.

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

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
b) The accounting policies selected have been applied consistently, and judgements and estimates are made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at 31st March 2024 and of the profit of your Company for the year ended on that date;
c) proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of your Company, and for preventing and detecting fraud and other irregularities;
d) The annual accounts have been prepared on a going concern basis;
e) Your company has laid down proper internal financial controls and that such internal financial controls are adequate and were operating effectively;
f) Your Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. ENERGY CONSERVATION, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2024 is given below:

A. CONSERVATION OF ENERGY:

- **The Steps taken or impact on conservation of energy:**

  The operations of the Company do not involve high energy consumption. However, the Company has for many years now been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.

- **The Steps taken by Company for utilizing alternate source of energy: Nil**

- **The capital investment on energy conservation equipment's: Nil**

B. TECHNOLOGY ABSORPTION:

- **The efforts made towards technology absorption: Nil**

- **The benefits derived like product improvement, cost reduction, product development or import substitution: Nil**

- **In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**

a) the details of technology b) the year of Import c) whether the technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	**NIL**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company is limited to the Indian boundaries. Hence, there are no Foreign Exchanges earnings or outgo.

19. EXTRACT OF THE ANNUAL RETURN

As per the amendment in Rule 12 of Companies (Management and Administration) Rules, 2014, a company shall not be required to attach the extract of annual return with the Board's Report in Form No. MGT-7, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013.

The Annual Return for the financial year 2023-24 as per provisions of the Act and Rules thereto, is available on the Company's website at https://www.khfm.in/.

20. CORPORATE GOVERNANCE

Since the Company's securities are listed on SME Platform of NSE (i.e. SME Emerge), by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the

compliance with the corporate governance provisions as specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Board's Report.

21. COMPLIANCES OF SECRETARIAL STANDARDS

The Board of Directors confirms that the Company, has duly complied and is in compliance, with the applicable Secretarial Standard/s, namely Secretarial Standard – 1 ('SS-1') on Meetings of the Board of Directors and Secretarial Standard - 2 ('SS-2') on General Meetings, during the FY 2023-24.

22. RISK MANAGEMENT

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

23. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has its internal financial control systems commensurate with the size and complexity of its operations, to ensure proper recording of financials and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements. The management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records including timely preparation of reliable financial information.

24. PARTICULARS OF EMPLOYEES

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

Further the following details forming part of **Annexure III** to the Board Report.

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

- Disclosure Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. MANAGEMENT DISCUSSION AND ANALYSIS

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

26. AUDITORS

(a) Statutory Auditor

Pursuant to the provisions of section 139(1) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s GTA & Co LLP., Chartered Accountants (Firm Registration Number: 105482W/W100817) have been appointed as Statutory Auditor of the Company for a period of five consecutive years, till the conclusion of the 22nd Annual General Meeting of the Company, to be held in the year 2028. However, M/s GTA & Co LLP, have tendered their resignation vide Letter dated 19th August, 2024.

Board of Directors in their meeting held on 6th September, 2024 have proposed to appoint M/s. YRKDAJ and Associates LLP (FRN: W100288) as Statutory Auditors of the Company to fill up the casual vacancy caused by the resignation of M/s. GTA & Co LLP. Also proposed to appoint them for the period of five years in upcoming Annual General Meeting of the Company.

(b) Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has re-appointed M/s. Mishra & Associates, Practicing Company Secretaries of Mumbai, to conduct the secretarial audit for FY 2024-25. The Secretarial Audit Report, issued by M/s. Mishra & Associates, Company Secretaries for the FY 2023-24, is set out in **Annexure V** to this Report.

(c) Internal Auditor

Pursuant to the provisions of section 138(1) of the Companies Act, 2013, as amended from time to time, M/s C.C. Talreja & Co., Chartered Accountants (Firm Registration Number: 157820W) was appointed as internal Auditor of the Company for the financial year 2021-22. The Board of Directors has re-appointed him as Internal Auditor of the Company for the financial year 2024-25.

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

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

28. VIGIL MECHANISM

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of your Company, which is in compliance of the provisions of section 177 of the Companies Act, 2013, read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the Listing Regulations. The Policy provides for framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. Adequate safeguards are provided against victimization to those who avail of the mechanism, and access to the Chairman of the Audit Committee, in exceptional cases, is provided to them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report, which forms part of this Annual Report and the Whistle Blower Policy has been uploaded on the website of your Company, www.khfm.in under the head investor section.

29. REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee under section 143(12) of the Companies Act, 2013 any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Board's Report. There were no frauds disclosed during the Financial Year.

30. CODE OF CONDUCT

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

31. PREVENTION OF INSIDER TRADING

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the "Code of Conduct to regulate, monitor and report trading by designated persons in Listed" of the Company ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned should follow, both in letter and spirit, while trading in listed securities of the Company.

The Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information („the Code") in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of, legitimate purposes as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information (UPSI) and aims at preventing misuse of UPSI. The mechanism for monitoring trade in the Company's securities by the "Designated Employees" and their relative's helps in real time detection and taking appropriate action, in case of any violation/non-compliance of the Company's Insider Trading Code.

32. MEANS OF COMMUNICATION

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

33. PREVENTION OF SEXUAL HARRASMENT OF WOMEN AT WORKPLACE

Your Company has zero tolerance for sexual harassment at workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the rules framed thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the Financial Year 2023-24, the company has received no complaints on sexual harassment.

34. HUMAN RESOURCE

Your Company's human resources is the strong foundation for creating many possibilities for its business. During the year under review, your Company added greater employee talent through seamless integration of acquired assets. Continuous people development for developing knowledge and skills coupled with the Talent Management practices will deliver the talent needs of the organization. Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

35. WEBSITE

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

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

A policy known as "Appointment criteria for Directors & Senior Management and their Remuneration Policy" approved by the Nomination and Remuneration Committee and Board is followed by the Company on remuneration of Directors and Senior Management employees as required under Section 178(3) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Policy aims at attracting and retaining high caliber personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhanced organizational performance.

37. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 and rules made thereunder are not applicable to the Company during the Financial Year 2023-24.

38. OTHER DISCLOSURE

- There has been no change in the nature of business of the Company during the year under review.
- No Director of the Company is in receipt of any remuneration or commission from any of its subsidiaries.
- The Company does not have any scheme or provision of providing money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- The Company has not accepted any public deposit during the year under review.
- There has been no issuance of shares (including sweat equity shares) to employees of the Company under any scheme.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution.

39. ACKNOWLEDGEMENT

Your Director's express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in future.

Your Director's very warmly thank all our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company. We have immense respect for every person who risked their lives and safety to fight this pandemic.

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

Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002

DATE: SEPTEMBER 06, 2024
PLACE: MUMBAI

ANNEXURE I

FORM NO. AOC-2
(Pursuant to clause (h) of sub -section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS		
(a) Name(s) of the related party and nature of relationship		
Sr. No.	**Related Party**	**Relationship**
	NIL	
(b) Nature of contracts/arrangements/transactions		
Sr. No.	**Particulars**	**Amount**
	NIL	
(c) Duration of contracts/arrangements/transactions		

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

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS		
(a) Name(s) of the related party and nature of relationship		
Sr. No.	**Related Party**	**Relationship**
1.	Mr. Ravindra Malinga Hegde	Managing Director
2.	Mrs. Sujata Ravindra Hegde	Director
3.	Mr. Saurav Hegde	Director
4.	KHFM HR Consultancy Private Limited	Companies under Common Management
(b) Nature of Contracts/Arrangements/Transactions		
Sr. No.	**Particulars**	**Amount (Rs.in Lakhs)**
1.	Remuneration to Mr. Ravindra Malinga Hegde	12.00
2.	Remuneration to Mrs. Sujata Ravindra Hegde	9.00
3.	Remuneration to Mrs. Saurav Ravindra Hegde	7.20
4.	Rent paid to Mr. Ravindra Malinga Hegde	10.80
5.	Interest Paid to Mrs. Sujata Ravindra Hegde	0.58

6.	Interest Paid to Mr. Ravindra Malinga Hegde	4.63	
7.	Loan to KHFM HR Consultancy Private Limited	0.10	
(c) Duration of contracts/arrangements/transactions			
Sr. No.	**Contracts/Arrangements/Transactions**	From	To
1.	Transactions	01/04/2023	31/03/2024
(d) Salient terms of the contracts or arrangements or transactions including the value, if any			
All the Transactions are entered in the Ordinary Course of Business			
e) Justification for entering into such contracts or arrangements or transactions			
Not Applicable			
(f) date(s) of approval by the Board: 30th May,2023			
(g) Amount paid as advances, if any: NA			

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

Sd/-
RAVINDRA MALINGA HEGDE
DIRECTOR
DIN: 01821002

DATE: SEPTEMBER 06, 2024
PLACE: MUMBAI

ANNEXURE II
Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amounts in Rs. Lakh)

Sl. No.	Particulars	Name of the Company
1.	Name of the subsidiary	KHFM Infra Projects Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2023-March 31, 2024
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	1
5.	Reserves & surplus	15.21
6.	Total assets	225.02
7.	Total Liabilities	208.81
8.	Investments	-
9.	Turnover	465.76
10.	Profit before taxation	16.54
11.	Provision for taxation	7.52
12.	Profit after taxation	9.02
13.	Proposed Dividend	-
14.	% of shareholding	99%

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures- N.A.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: NA

1. Names of associates or joint ventures which are yet to commence operations: NA
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

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

Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002

DATE: SEPTEMBER 06, 2024
PLACE: MUMBAI

ANNEXURE – III

Disclosure as per Section 197(12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ending March 31, 2024 and The Percentage Increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year ending on March 31, 2024.

Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in FY 2023-24
Mr. Ravindra Malinga Hegde	Managing Director	116.13	No Change
Mrs. Sujata Ravindra Hegde	Executive Director	69.68	No Change
Mr. Saurav Ravindra Hegde	Executive Director	87.10	20%
Mr. Rahul Pathak (Resigned w.e.f. 17th February, 2024)	Company Secretary & CFO	83.91	16.96%
Mr. Girish Ramnani	Non-Executive Independent Director	Not Received any Remuneration during the F.Y. 2023-24	NA
Mr. Kapildeo Agrawal	Non-Executive Independent Director		NA
Mr. Prabhakar Reddy Patil	Non-Executive Independent Director		NA

b) The percentage increase/(decrease) in the median remuneration of employees in the financial year 2023-24 is (93.24%).

c) The median remuneration of employees of the Company during the financial year was: Rs. 10,333/-

d) The Total number of employees on the rolls of the Company in the financial year 2023-24 is 3738**.**

e) Comparison of average percentile increase in salaries of employees other than managerial personnel and the percentile increase in the managerial remuneration: NA

f) It is hereby affirmed that that the remuneration paid is as per the remuneration policy of the Company.

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

Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002

DATE: SEPTEMBER 06, 2024
PLACE: MUMBAI

ANNEXURE - IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

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

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

1. ECONOMIC ENVIRONMENT - AN OVERVIEW

Global Economy

Global growth is projected to stay at 3.1 percent in 2024 and rise to 3.2 percent in 2025. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and 4.4 percent in 2025, with the 2025 forecast having been revised down.

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percent is at its

lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Changes in mortgage and housing markets over the prepandemic decade of low interest rates moderated the near-term impact of policy rate hikes.

Services inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher for even longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. The policy mix should thus be sequenced carefully to achieve price stability and replenish diminished buffers.

INDIAN ECONOMY

The World Bank has upwardly revised India's GDP growth forecast for the current financial year 2024-25 by 20 basis points to 6.6 per cent from its earlier projection of 6.4 per cent made in January. The World Bank said that India will continue to be the fastest-growing among the world's largest economies, though its pace of expansion is expected to moderate.

The international financial institution attributed the revision in India's growth projections to strong public investment accompanied by private capex and rise in private consumption.

Growth in India's industrial activity, including manufacturing and construction, was stronger than expected, alongside resilient services activity, which helped offset a slowdown in agricultural production partly caused by monsoons.

As per the World Bank projection Growth of domestic demand in India remained robust, with a surge in investment, including in infrastructure, offsetting a moderation of consumption growth as post-pandemic pent-up demand eased.

World Bank report further stated that "India's economy has been buoyed by strong domestic demand, with a surge in investment, and robust services activity. It is projected to grow an average of 6.7 percent per fiscal year from 2024 through 2026–making South Asia the world's fastest-growing region"

According to World Bank official data, India's GDP grew at an accelerated rate of 8.2 percent during the financial year 2023-24, maintaining its position as the fastest-growing major economy. The country's economy grew by 7.2 percent in 2022-23 and 8.7 percent in 2021-22.

India is one of the fastest growing economies of the world and is poised to continue on this path, with aspirations to reach high middle income status by 2047, the centenary of Indian independence. It is also committed to ensuring that its continued growth path is equipped to deal with the challenges of climate change, and in line with its goal of achieving net-zero emissions by 2070.

FACILITY MANAGEMENT

The Facilities Management Services sector, mainly consisting of security, housekeeping and engineering, faced problems on account of the closure of offices, commercial establishments, and several other facilities that require support services. The industry is expected to grow at a faster pace on account of continued urbanisation and industrialisation.

Each of these facilities is a complex organization of people, teams, departments, spaces, technology equipment and more. It is the coordination of everything within the facility so operations run smoothly.

The India Facility Management Market size is estimated at USD 148.65 billion in 2024, and is expected to reach USD 212.12 billion by 2029, growing at a CAGR of 7.37% during the forecast period (2024-2029). Facility management in India is increasingly gaining popularity due to rapid urban development, the booming construction sector, increasing emphasis on green buildings, and a growing awareness of advantages arising from outsourcing non-core business activities.

Integrated Facilities Management (IFM) refers to a coordinated effort involving space and people to maintain buildings and properties. In other words, it is the outsourcing of services and functions which are considered as non-core activities for a business. It comprises of hard services or building operation and maintenance and soft services or support services, and energy management services. Hard services include electrical, electromechanical, mechanical, water management and energy management. Soft services include housekeeping, security, catering, transportation, and horticulture and landscaping. The global Facility Management (FM) market is witnessing a major transformation driven by technology
innovation, new business models, emerging value propositions, competitive disruption, and new service
offerings as value propositions are shifting to service outcomes, user experience, and business productivity.

2. OPPORTUNITY & THREATS

❖ **Opportunity:**

The growth of the facility management market is being driven by the increasing trend of outsourcing building management activities. Organizations are opting to outsource services like HVAC, catering, security, and other support services, allowing them to focus on their core business activities. This is particularly evident in end-user segments like healthcare, infrastructure, and retail, where outsourcing facility management services can help reduce training and operational costs, leading to enhanced profitability.

Technological advancements are also playing a pivotal role in shaping the facility management landscape. The integration of technology is opening up new avenues for providers to streamline their operations and enhance their offerings. Intelligent security monitoring systems, advanced building control systems, and robotics are key technological trends that are anticipated to significantly influence the market's trajectory.

However, challenges persist. Employee attrition and the lack of proper training are hindrances in the market's growth. The shortage of skilled and semi-skilled workers, especially those with technical expertise, poses difficulties in providing facility management services that require specialized knowledge. This issue limits supplier options and impacts labor retention.

The Indian real estate sector is undergoing significant growth, largely driven by changing preferences towards safe and secure environments. Green building concepts and the enactment of regulations like the Real Estate (Regulation and Development) Act (RERA) 2016 are bolstering the real estate sector, consequently boosting demand for facility management services. The rise of the IT sector and e-commerce platforms is also contributing to the need for organized spaces and infrastructure.

The utilization of technologies like Artificial Intelligence (AI) and the Internet of Things (IoT) for energy efficiency audits is a growing trend. The Indian government's Smart Cities Mission is further promoting the need for professional facility management services, as investments in the infrastructure sector increase.

Post-pandemic considerations, including hybrid workspaces and return-to-work strategies, are driving demand for facility management services. The focus on safety, health, and productivity in the workplace is spurring the demand for comprehensive facility management solutions.

In summary, the facility management market in India is evolving in response to a range of factors, including outsourcing trends, technological advancements, real estate growth, regulatory changes, and post-pandemic dynamics. The industry is adapting to these changes and leveraging them to provide enhanced services and support to various sectors across the country.

❖ **Threats:**

The current state of the industry is marked by a range of challenges & threats that have emerged in the wake of the post-pandemic world.

- **Safe Return to the Office:** With the majority of organizations transitioning back to physical workspaces after an extended period of remote work, ensuring a safe and secure environment is of paramount importance. Establishing and maintaining stringent health and safety protocols is a critical necessity. In addition to preparing COVID safety measures and improving hygiene practices, there is the complex task of assessing the condition and functionality of equipment that has been dormant during the pandemic.

- **Hybrid Work Model and Space Utilization:** The adoption of hybrid work models, combining remote work with office presence, has introduced a new challenge in terms of optimizing space utilization. As employees divide their time between remote and on-site work, facilities need to be configured to accommodate flexible occupancy needs. Reconfiguring workspaces to encourage collaboration while adhering to safety guidelines presents a unique challenge.

- **Integration of Workplace Technology:** The lockdowns underscored the importance of technology in managing facilities remotely. Particularly for organizations with diverse portfolios across multiple locations, facility management technology tools have become

essential for remote management and reporting of facility-related operations. Implementing and effectively managing these technologies pose a new set of challenges.

- **Balancing Cost and Employee Experience:** Facility management plays a direct role in shaping the employee experience and, in turn, impacting employee retention. Organizations are dedicated to providing top-notch facilities and amenities to retain their workforce. However, this comes with additional costs. Striking a balance between providing a high-quality employee experience and adhering to cost optimization objectives is a complex challenge for facility management organizations.

In navigating these challenges, it is crucial for facility management professionals to adopt innovative approaches, stay updated on industry best practices, leverage technology effectively, and collaborate closely with stakeholders to ensure a safe, efficient, and productive work environment. The evolution of the industry in response to these challenges will play a pivotal role in shaping the future of facility management.

3. SEGMENT - WISE OR PRODUCT- WISE PERFORMANCE

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 Services

Hospitality & Catering Services

Horticulture, Manpower Outsourcing & Security Services

4. OUTLOOK

The current landscape of the Indian facility management industry is primarily dominated by in-house service providers. However, there is a growing trend of outsourcing these services, contributing to the industry's expansion. The increasing demand for integrated facility management solutions is a significant driver of this growth. The integrated sector within the industry is expected to experience further expansion as the industry transitions toward a more organized structure. Although the sector is presently characterized by fragmentation, with a prevalence of small, unorganized operators, larger players are progressively acquiring smaller ones, leading to increased organization within the sector. Among end-use industries, the commercial sector holds a prominent position in the Indian market, followed by industrial and other sectors. Industries such as IT, BPO, and BFSI are increasingly outsourcing their facility management services, contributing to the growth of the industry. The concentration of the industry is primarily observed in Tier 1 and metro cities, with Pune and Mumbai expected to witness significant growth in the coming years.

The Indian facility management market is poised for substantial growth in the forecast period from 2023 to 2028, with a projected Compound Annual Growth Rate (CAGR) of 17%.

On a global scale, the facility management industry is experiencing rapid growth, fueled by the outsourcing trend adopted by companies. The rise of integrated facility management services is particularly prominent in the Asia Pacific region. This region, including rapidly growing economies like India and China, is a major contributor to the global growth of the industry. The Asia Pacific region, characterized by its burgeoning population, further boosts the market's expansion.

In conclusion, the Indian facility management market is on a trajectory of rapid growth, driven by factors such as increasing outsourcing, demand for integrated solutions, and expansion of organized players. Similarly, the global industry is witnessing accelerated growth, with the Asia Pacific region leading the charge, propelled by demand for outsourced facility management services and growing economies.

5. RISK AND CONCERN

Risks	Risk Mitigation
Economic Risk	The company has been expanding its services and augmenting its revenues from promising areas to proactively minimize the impact.
People Risk	The company has developed strong recruitment teams to overcome the attrition risk.
Financial Risk	The company presents a healthy balance sheet with prudent working capital management. In recent years, the company has offloaded unviable customer accounts, to reduce debtors' outstanding.
Competition Risk	The company has deployed modern practices and processes to retain its competitive advantage and ensure loyalty among the workforce.
Covid-19	We are focusing on pivoting to new areas that have potential for high-growth and away from low-growth areas.

Efficiency Risk	The company trains its talent to increase their competence in better discovering and serving market needs

6. INTERNAL CONTROL SYSTEM

Our company has put in place standard operating procedures that ensure effective and transparent internal controls for efficient delivery of services. We follow strict procedures with regard to recording and providing reliable financial and operational information and complying with all statutory regulations and standards applicable to our business segments.

We have been refining our management methodologies by way of periodical reviews so as to realign our tactics to meet the changes on the ground. Thus we hope to achieve the goals both in the short run and long run. The Company's system of continuous internal audits ensures that established processes and practices are followed and complied with and that quality processes are strictly adhered to. Financial discipline is emphasized at all levels of the business and adherence to quality systems and focus on customer satisfaction is critical for the Company to retain and attract customers and business and these are followed rigorously.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company's standalone revenue from operations for the financial year ending 31st March, 2024 stood at Rs. 10744.51Lakh as compared to previous year Rs. 8,889.78Lakh during the previous financial year. The Company has achieved Standalone EBIDTA (including other income) of Rs. 1042.26 Lakh during the financial year 2024 as against that of EBIDTA of Rs. 928.59Lakh for the previous financial year 2023. The Standalone profit before tax for the financial year under review is 476.06Lakh as compared to previous year Rs. 301.36 Lakh.

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

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. The Company aims to develop the potential of every individual associated with the Company as a part of its business goals. The Company focuses on providing individual development and growth in a work culture that ensures high performance and remains empowering. The Company has employed over 3500 people (including contractual) strong and dedicated workforce travel abreast of the latest trends.

- The increasing use of technology: Facility management companies are increasingly using technology to automate tasks, improve efficiency, and reduce costs. This has led to a demand for new skills and knowledge among HR professionals, who need to be able to understand and manage these technologies.

- The changing demographics of the workforce: The workforce is becoming more diverse, with a growing number of women, minorities, and immigrants. This is putting pressure on HR professionals to develop more inclusive and equitable policies and practices.

- The rise of the gig economy: The gig economy is growing, and this is creating new challenges for HR professionals. They need to find ways to attract and retain independent contractors, while also ensuring that they are treated fairly.

- The increasing focus on employee well-being: Employee well-being is becoming a top priority for many companies. This is leading to a demand for HR professionals who can develop and implement programs that promote employee health and happiness.

- The need for strategic HR leadership: HR is becoming increasingly strategic, and HR professionals are being called upon to play a more active role in shaping the company's overall strategy. This requires HR professionals to have a strong understanding of the business and to be able to think strategically about how HR can contribute to the company's success.

- In terms of the number of people employed for facility management business companies, the Bureau of Labor Statistics (BLS) projects that employment in this field will grow 7% from 2020 to 2030, about as fast as the average for all occupations. This growth is expected to be driven by the increasing demand for facility management services in commercial, industrial, and institutional settings.

- The BLS also projects that the median annual wage for facility managers will be $95,180 in 2030. This is higher than the median annual wage for all occupations, which is projected to be $45,760 in 2030.

- The following are some of the factors that are expected to drive growth in the facility management field:

- The increasing complexity of facilities: Facilities are becoming more complex, with a wider range of systems and equipment. This requires facility managers to have a deeper understanding of these systems and equipment in order to maintain them properly.

- The aging infrastructure: The infrastructure in the United States is aging, and this is leading to an increased demand for facility management services. Facility managers are needed to inspect, maintain, and repair this infrastructure.
- The growing focus on sustainability: There is a growing focus on sustainability in the business world, and this is leading to an increased demand for facility management services that can help businesses reduce their environmental impact. Facility managers can help businesses reduce their energy consumption, water usage, and waste production.

Overall, the outlook for the facility management field is positive. The demand for facility management services is expected to grow, and this is expected to lead to job growth and higher wages for facility managers.

Key Financial ratios

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

Particulars	As at March 31, 2024	As at March 31, 2023	% of change in ratio	Remarks
Current Ratio	1.77	1.72	-2.82%	Improvement in current ratio due to proceeds from rights issue in March,2024.
Debt-Equity Ratio	1.23	1.48	17.02%	Improvement in debt equity ratio due to proceeds from rights issue in March,2024
Debt Service Coverage Ratio	1.21	0.74	-63.97%	The company managed to earn enough profit to cover its interest payments by cutting down on Other expenses.
Return on Equity Ratio(%)	7.29%	8.58%	15.06%	Average networth has increased compared to previous year on account of proceeds from rights issue in March, 2024. Accordingly return on equity has reduced. But the Company manages to earn profit over a previous year.
Inventory Turnover Ratio	10.75	60.86	82.34%	Stock of Inventory has been increased significantly as compared to previous year.
Trade Receivables Turnover Ratio	4.74	4.14	-14.46%	Improvement in the ratio due to increase in revenue.
Trade Payable Turnover Ratio	12.10	8.11	-49.26%	Average trade payables outstanding have been reduced comparatively from previous year. Outstanding Trade payables have been reduced in current year due to improvement in Cashflow subsequently from the proceeds of rights issue in March, 2024.
Net Capital Turnover Ratio	2.29	2.03	12.80%	Improvement in the ratio due to increase in revenue
Net Profit Ratio(%)	3.08%	3.02%	-2.05%	The Company manages to earn profit over the a previous year due to reduction in cost attributable to project.

Return on Capital Employed (%)	21.68%	28.62%	24.26%	Average networth has increased compared to previous year on account of proceeds from rights issue in March, 2024. Accordingly return on equity has reduced. But the Company manages to earn profit over a previous year.

ANNEXURE - V

FORM NO. MR-3
SECRETARIAL AUDIT REORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KHFM Hospitality and Facility Management Services Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on **March 31, 2024** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under (in so far as they are made applicable);
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under**;**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under**;**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (Regulations relating to Overseas Direct Investment and External Commercial Borrowings): **Not applicable to the Company for the audit period as there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings by the Company;**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and amendments from time to time;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable to the Company during the period under review;**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not applicable to the Company during the audit period;**

f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable as there was no reportable event during the period under review;**

g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable as there was no reportable event during the period under review;**

h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India;
b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations and guidelines etc. mentioned above except:

i. Website of the Company was not updated as prescribed in Regulation 46 of Sebi (Listing Obligation and Disclosure Requirements) Regulation 2015.
ii. Company have filed SDD Compliance Certificate in delay with Stock Exchange.
iii. Company have not made entries in the SDD Software with in the time limit prescribed
iv. Company have not filed Statement of Deviation as per Regulation 32 of Sebi (Listing Obligation and Disclosure Requirements) Regulation 2015 with respect to Rights Issue of Shares.
v. Outcome of Board Meeting for Approval of Financial Results and Approval of Dividend for the Financial Year ended 31st March, 2024 was not given within 30 minutes of the Closure of the Board Meeting.
vi. Company has not filed Disclosure under Regulation 31(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the Financial Year 2024.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with the following specific law to the extent applicable to the Company i.e. Information Technology Act, 2000 as amended from time to time;

We further report that,

1. The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and women director. The change in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act.

2. We further report that adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All the decisions of the Board and Committees thereof were carried out with the requisite majority;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company i.e. Information Technology Act, 2000 as amended from time to time;

We report that during the Audit Period the events which are took place and which had a major bearing on the Company's affairs are listed below:

i. M/s. Bhushan Khot & Co., Chartered Accountants have ceased to Statutory Auditor of the Company as they have completed their term of Five Years and their appointment for second term for the period of five years have not been approved by the shareholders in the Annual General Meeting.

ii. Mr. Ravindra Malinga Hegde have been re-appointed as Managing Director of the Company for further period of Five Years with effect from August 24, 2023 for a period of Five (5) Years till August 23, 2028.

iii. Mr. Prabhakar R. Patil, have been appointed as Non – Executive Independent Director of the Company with effect from September 04, 2023.

iv. Mr Brahm Pal Singh have resigned from the post of Non – Executive Independent Director with effect from October 04, 2023.

v. Company in the Extra – Ordinary Meeting of Shareholders of the Company held on October 27, 2023 have passed the resolution to appoint M/s GTA & Co. LLP as the Statutory Auditor of the Company.

vi. Mr. Rahul Krishna Pathak have resigned from the post of Company Secretary & Chief Financial Officer with effect from February 17, 2024.

vii. Company in the Extra – Ordinary Meeting of Shareholders of the Company held on March 18, 2024 have passed the resolution to:
   - Increase the Authorised Share Capital of the Company to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only).
   - Issue of 1,51,900 Equity Shares to Mr. Ravindra Malinga Hegde by Way of Conversion of Loan to Equity.
   - Issuance of 7,68,800 Fully Paid Equity Shares on Preferential Basis to the Non-Promoter Category.
   - Issuance of 22,32,000 Warrants (Equity Convertible Warrants) on Preferential Basis to Entities Belonging to the Promoter & Non-Promoter Category.

For **MISHRA & ASSOCIATES**
Company Secretaries

Manishkumar Premnath Mishra
Proprietor
Membership No. 41066
C. P. No. 18303
FRN: S2017MH516400
PR NO.: 2157/2022 **Date:** 06.09.2024
UDIN: A041066F001157907 **Place:** Mumbai

Note: This report is to be read with our letter of even date which is annexed as **Annexure 'A'** and forms an integral part of this report.

Annexure 'A'

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

Our Secretarial Audit Report of even date is to be read along with this letter:

1. MANAGEMENT'S RESPONSIBILITY

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

2. AUDITOR'S RESPONSIBILITY

(a) Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

(b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe, the processes and practices that we followed provide a reasonable basis for our opinion. We also believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

(c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(d) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

(e) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

3. DISCLAIMER

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which management has conducted the affairs of the company.

For **MISHRA & ASSOCIATES**
Company Secretaries

Manishkumar Premnath Mishra
Proprietor
Membership No. 41066
C. P. No. 18303
FRN: S2017MH516400
PR NO.: 2157/2022
UDIN: A041066F001157907

Date: 06.09.2024
Place: Mumbai

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
CIN – L74930MH2006PLC159290

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2024

1. CORPORATE INFORMATION

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

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

Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 18th, 2018, the company was converted from "**KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES PRIVATE LIMITED"** to **"KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED"** vide a fresh Certificate of Incorporation dated May 30th, 2018 issued by the Registrar of Companies, Mumbai, Maharashtra, The Corporate Identification Number of our Company is **L74930MH2006PLC159290**.

Nature of Operations

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

2. STATEMENT OF COMPLIANCE

These Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (Referred to as "Ind As" prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

I. BASIS OF PREPARTION AND PRESENTATION:

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

1. Defined Benefit Plans – Plan Assets and
2. Certain Financial assets and liabilities measured at fair value.

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

- **CASH FLOW STATEMENT**

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

The standalone financial statements are presented in INR Lakhs which is also the Company's functional currency.
The standalone financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 30th May, 2024.

II. USE OF ESTIMATION:

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities and the reported amounts of income and expenses for the periods presented.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current/Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.
Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.
An asset is classified as current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(b) Revenue recognition:

The Company provides hospitality and facility management services under fixed-price and variable price contracts.
Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

• Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.

• In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. The Company's contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

(c) Interest:

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by

reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Dividend:

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

(e) Rent Income:

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

(f) Profit on sale of investment:

It is recognized on its liquidation/redemption.

(g) Taxes

(i) Current Income Taxes

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred Taxes

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(h) Non Current Assets Held for Sale

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

(i) Property, Plant & Equipment

Property, plant & equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognized. Expenditure directly relating to construction activity is capitalized.

The Company reviews the useful lives of property, plant and equipment and other intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortization expense in future periods.

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

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

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

Type of Assets	Useful life as per Schedule II
Office Premises	60 Years
Plant & Machineries	15 Years
Vehicles	8 Years
Interior Fitouts	10 years
Equipments	15 Years / 5 years

Furniture & Fixtures	10 Years
Computers (Servers & Networks)	6 Years
Software	3 years

In none of the case the residual value of an assets is more than five percent of the Original Cost of the assets.
The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(j) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties are subsequently measured at cost less depreciation. Investment properties are depreciated based on their estimated useful lives. Office premises which is considered as Investment property has a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management.

k) Impairment of Non-Financial Assets

Intangible assets, property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(l) Inventories

Items of inventories are measured in at lower cost & net realiasable value after providing for obsolescence, if any except in case of by-products which are valued at net realizable value. Cost of inventories comprises of cost of

purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

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

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are Recognised in profit or loss in the period in which they are incurred based on Amortised Cost as per Ind AS using effective interest rate method.

(n) Provisions, Contingent Assets and Contingent Liabilities

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

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

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

(o) Earnings per share

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

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

(p) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

(q) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement inassessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; andperiods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

IV. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

V. TRANSACTION AND BALANCES

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

Transactions and Balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

VI. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

VII. FINANCIAL INSTRUMENTS

(a)Financial Assets

Initial recognition:

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

Subsequent recognition

(i) Financial Assets Carried at Amortized Cost

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

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

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

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

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in

OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to profit and loss.

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

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

Derecognition

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

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

(b) Financial Liabilities

Initial recognition

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

Subsequent Recognition

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

Derecognition

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

(c)Impairment of Financial Assets

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

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

(d)Reclassification of Financial assets and Financial Liabilities

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

(e) Offsetting

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

(f) Cash & Cash equivalents

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

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks.

VIII. BUSINESS COMBINATIONS

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

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

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

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

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

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

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is Recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been Recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period(see above), or additional assets or liabilities are Recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

All Amount in INR Lakhs

	Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
A	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	3	264.76	89.10
	(b) Right- of - Use Assets		-	-
	(c) Capital Work in Progress		-	-
	(d) Investment properties	3(a)	53.39	56.13
	(e) Goodwill			
	(f) Other Intangible Assets	3	2.03	5.53
	(g) Intangible Assets Under Development		-	-
	(h) Biological assets other than Bearer plants		-	-
	(i) Financial Assets			
	(i) Investments	4	6.59	6.59
	(ii) Trade Receivables	8	-	-
	(iii) Other Financial Assets	5	1,058.45	1,065.49
	(j) Deferred Tax Assets (Net)	6	346.08	507.69
	(k) Other Non-Current Assets			
	SUB-TOTAL		**1,731.30**	**1,730.53**
	Current Assets			
	(a) Inventories	7	18.38	1.57
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	8	2,612.96	1,919.68
	(iii) Cash and Cash Equivalents	9	77.09	60.78
	(iv) Bank Balances other than (ii) above	9	1,006.40	2,878.30
	(v) Other Financial Assets		-	-
	(c) Current Tax Assets (Net)	10	629.94	458.90
	(d) Other Current Assets	11	4,389.70	3,822.27
	SUB-TOTAL		**8,734.47**	**9,141.50**
	Non Current Assets Classified as Held for sale			
	Total Assets		**10,465.77**	**10,872.03**
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	12	2,004.15	2,004.15
	(b) Other Equity	13	2,691.19	2,377.84
			4,695.34	**4,381.99**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	816.78	1,163.94
	(ii) Other Financial Liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax Liabilities (Net)		-	-
	(d) Other Non-Current Liabilities	15	24.80	22.17
			841.58	**1,186.11**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	3,431.37	3,367.32
	(ii) Trade Payables	17	254.41	493.67
	(iii) Other Financial Liabilities	18	548.38	536.05
	(b) Provisions	19	413.02	671.08
	(c) Other Current Liabilities	20	281.68	235.81
			4,928.85	**5,303.93**
	Total Equity and Liabilities		**10,465.77**	**10,872.03**

Significant Accounting Policies

See accompanying Notes to the Standalone Financial Statements **1-55**

As per our Attached report of even date

For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

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

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOFZ1604
Place: Nagpur
Date: 30/05/2024

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai
Date: 30/05/2024

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

All Amount in INR Lakhs

	Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I	Revenue from Operations	21	10,744.51	8,889.78
II	Other Income	22	66.55	81.28
III	**Total Revenue (I+II)**		**10,811.06**	**8,971.06**
IV	**EXPENSES**			
	Employee Benefits Expense	23	5,242.16	3,963.32
	Finance Costs	24	507.76	594.12
	Depreciation and Amortization Expense	25	58.44	33.11
	Other Expenses *	26	4,526.63	4,079.12
	Total Expenses (IV)		**10,334.99**	**8,669.67**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**476.07**	**301.39**
VI	Exceptional Items			
VII	Profit/(Loss) before Tax (V-VI)		476.07	301.39
VIII	**Tax Expense:**	27		
	(1) Current Tax		(82.04)	8.07
	(2) Reversal/Provision of Income Tax- Earlier years		64.17	81.39
	(3) Deferred Tax		147.48	(74.65)
	Total Tax Expense		**129.61**	**14.81**
IX	**Profit (Loss) for the period (VII-VIII)**		**346.46**	**286.58**
X	**Other Comprehensive Income**			
	(1) Items that will not be reclassified subsequently to Statement of Profit & Loss			
	Re-measurement (Gain)/Loss on Defined Benefit Plan		21.15	24.67
	(2) Income tax relating to items that will not be reclassified to Statement of Profit		(5.32)	(6.21)
	(3) Items that will be reclassified subsequently to Statement of Profit & Loss			
XI	**Total Comprehensive Income for the period (IX+X)**		**330.63**	**268.12**
XII	Earnings per Equity Share	28		
	(1) Basic		1.73	2.32
	(2) Diluted		1.73	2.32

Significant Accounting Policies
See accompanying Notes to the Standalone Financial Statements **1-55**
As per our Attached report of even date

For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

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

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOFZ1604
Place: Nagpur
Date: 30/05/2024

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai
Date: 30/05/2024

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED STANDALONE CASH FLOW STATEMENT

All Amount in INR Lakhs

	Particulars	As at 31st March 2024	As at 31st March 2023
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before Tax	476.07	301.39
	Adjustment for:		
	Depreciation and Amortization Expense	58.44	33.11
	Finance cost	507.76	594.12
	Allowance for Doubtful Debts	7.48	671.32
	Profit on sale of Property, Plant & Equipment	-	(17.13)
	Re-measurement (Gain)/Loss on Defined Benefit Plan	(21.15)	(24.67)
	Interest Income on Fixed Deposit and Income Tax Refund	(54.62)	(39.44)
	Operating Profit before Working Capital changes	**973.98**	**1,518.69**
	Adjustment for:		
	(Increase)/decrease in Trade Receivables	(700.76)	(218.20)
	(Increase)/decrease in Other Current Financial Assets	1,904.61	(1,904.61)
	(Increase)/decrease in Other Non-Current Financial Assets	7.04	188.35
	(Increase)/decrease in Other Current Assets	(738.47)	(833.82)
	(Increase)/decrease in Inventories	(16.81)	0.09
	Increase/(decrease) in Trade-Payable	(239.26)	(18.88)
	Increase/(decrease) in Other Current Financial Liability	76.36	105.20
	Increase/(decrease) in Non Current Liability	2.64	16.32
	Increase/(decrease) in Provision	(258.06)	8.27
	Increase/(decrease) in Non-Current Liabilitty	(347.17)	(311.02)
	Increase/(decrease) in Other Current Liabilitty	45.87	(105.18)
			-
	Cash Generated/Used from Operations	**709.97**	**(1,554.78)**
	Direct Taxes	23.19	(83.25)
	Net Cash from Operating Activities (A)	**733.16**	**(1,638.03)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment	(227.84)	(7.32)
	Sale of Property, Plant & Equipment	-	49.38
	Fixed Deposits placed/matured/realised (Net)	(32.71)	(102.00)
	Interest Received	54.62	39.44
	Investment in subsidiaries	-	(1.09)
	Net Cash used in Investing Activities (B)	**(205.93)**	**(21.59)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest Expenses	(507.76)	(594.12)
	Proceeds from Rights Issue	-	2,404.61
	Payment For share issue related costs	(3.19)	(194.46)
	Net Cash from Financing Activities (C)	**(510.93)**	**1,616.03**
	Net Changes in Cash and Cash Equivalents (A+B+C)	**16.31**	**(43.59)**
	Opening Balance of Cash and Cash Equivalents	60.78	104.37
	Closing Balance of Cash and Cash Equivalents	**77.09**	**60.78**

Notes:-

1 The above Standalone Cash Flow Statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flows.

2 Cash and Cash Equivalents at the year end comprises

Cash on Hand	66.32	54.36
In Bank Account	10.77	6.42
	77.09	**60.78**

As per our Attached report of even date
For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOFZ1604
Place: Nagpur
Date: 30/05/2024

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

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai
Date: 30/05/2024

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED STANDALONE STATEMENT OF CHANGES IN EQUITY

A Equity Share Capital **All Amount in INR Lakhs**

Balance at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year*	Balance as at March 31, 2024
2,004.15	-	2,004.15	-	2,004.15

Balance at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
1,002.23	-	1,002.23	1,001.92	2,004.15

B Other Equity **All Amount in INR Lakhs**

Particulars	Reserve and Surplus			Items of other comprehensive income	Total Other Equity
	Securities Premium	Retained Earnings	Share Issue expenses	Remeasurements of defined benefit Plans	
Opening Balance as at 31st March 2022	**642.43**	**239.87**	**-**	**(14.79)**	**867.51**
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2022	**642.43**	**239.87**	**-**	**(14.79)**	**867.51**
Profit /(Loss) for the year	-	286.56	-	-	286.56
Other Comprehensive income /(losses)	-		-	(18.46)	(18.46)
Total Comprehensive Income for the Year	**-**	**286.56**	**-**	**(18.46)**	**268.10**
Add : Issue of shares	1,402.69		(194.46)		1,208.23
Less: Share issue expense	(194.46)		194.46	-	-
Deferred tax on share issue expense	34.00				34.00
Closing Balance as at 31st March 2023	**1,884.67**	**526.44**	**-**	**(33.25)**	**2,377.84**
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2023	**1,884.67**	**526.44**	**-**	**(33.25)**	**2,377.84**
Profit /(Loss) for the year		346.48			346.48
Other Comprehensive income /(losses)				(15.83)	(15.83)
Total Comprehensive Income for the Year	**-**	**346.48**	**-**	**(15.83)**	**330.65**
Add : Issue of shares	-		(3.19)		(3.19)
Less: Share issue expense	(3.19)		3.19		-
Deferred tax on share issue expense	(14.13)				(14.13)
Closing Balance as at 31st March 2024	**1,867.35**	**872.92**	**-**	**(49.08)**	**2,691.19**

As per our Attached report of even date

For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOFZ1604
Place: Nagpur
Date: 30/05/2024

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

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

3	**PROPERTY, PLANT AND EQUIPMENT**							**Intangible Assets**
	Description	**Furniture & Fixture**	**Computers**	**Equipments ***	**Motor Vehicles**	**Plant & Machinery ***	**Total**	
	Gross Carrying Value as at 31st March 2022	**7.74**	**14.05**	**6.23**	**129.09**	**329.22**	**486.32**	**5.11**
	Additions	0.24	0.36	0.23	-	0.82	1.65	5.65
	Disposals	-	-	-	30.90	4.58	35.47	-
	Gross Carrying Value as at 31st March 2023	**7.98**	**14.41**	**6.45**	**98.19**	**325.46**	**452.50**	**10.76**
	Additions	102.36	22.98	86.69	-	15.81	227.84	-
	Disposals	-	-	-	-	-	-	-
	Gross Carrying Value as at 31st March 2024	**110.34**	**37.39**	**93.14**	**98.19**	**341.27**	**680.34**	**10.76**
	Accumulated Depreciation							
	Balance as at 31st March 2022	**6.75**	**10.72**	**4.58**	**81.19**	**236.93**	**340.17**	**1.45**
	Additions	0.26	1.31	0.33	8.54	16.03	26.47	3.78
	Disposal	-	-	-	3.23	0.01	3.24	-
	Balance as at 31st March 2023	**7.01**	**12.03**	**4.91**	**86.50**	**252.94**	**363.40**	**5.22**
	Additions	**18.09**	**2.68**	**14.25**	**3.66**	**13.51**	**52.19**	**3.51**
	Disposal	-	-	-	-	-	-	
	Balance as at 31st March 2024	**25.10**	**14.71**	**19.16**	**90.16**	**266.46**	**415.59**	**8.73**
	Net Carrying Value							
	As at 31st March 2023	**0.97**	**2.38**	**1.54**	**11.69**	**72.52**	**89.10**	**5.53**
	As at 31st March 2024	**85.24**	**22.69**	**73.98**	**8.03**	**74.82**	**264.76**	**2.03**

* Registered Equitable Mortgage and First and exclusive charge and security by way of hypothecation of machineries for Apna Sahakari Bank Ltd Loan Includes office Equipments
The Company neither has any Benami property nor any proceeding has been initiated or pending against the Company during the year ended March 31st, 2024 and March 31st, 2023 for holding any benami property
All the property, plant and equipment, including title deeds of immovable property(classified as investment property) are held in the name of the company.

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

All Amount in INR Lakhs

3(a)	**INVESTMENT PROPERTIES**	**As at 31st March 2024**	**As at 31st March, 2023**
	Gross Carrying Value	99.63	99.63
	Accumulated depreciation	46.24	43.50
	Net Carrying Value	**53.39**	**56.13**

ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTIES	**As at 31st March 2024**	**As at 31st March, 2023**
Accumulated depreciation at the beginning of the year	43.50	40.62
Addition	2.74	2.88
Accumulated depreciation at the end of the year	**46.24**	**43.50**

i) Amount recognised in profit and loss for investment properties	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Rental Income	9.73	8.65
Direct operating expenses from property that generated Rental Income	1.01	1.43
Direct operating expenses from property that didn't generated Rental Income	-	-
Profit from investment properties before depreciation	**8.71**	**7.22**
Depreciation	2.74	2.88
Profit from investment properties	**5.97**	**4.34**

ii) Contractual obligations
The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end

iii) Leasing arrangements
Investment property is leased out to one tenant under operating leases.

iv) Fair Value	**As at 31st March, 2024**	**As at 31st March, 2023**
Investment Property	231.14	231.14

Estimation of Fair Value
The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable and non-cancellable leases, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location on the basis of stamp duty reckoner. There is no involvement of independent and professional valuers in the determination of fair value.

4	**INVESTMENTS**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Investment (valued at cost unless stated otherwise)		
	In Equity instruments of Other Companies		
	Unquoted, Fully Paid up		
	Shares in Apna Sahakari Bank	5.50	5.50
	(22000 Equity Shares of Rs.25/- each fully paid up)	-	
	KHFM Infra Projects Private Limited	0.99	0.99
	(9900 Equity Shares of Rs 10 each fully paid up)		
	KHFM & D.P Jain Company	0.10	0.10
	(99% holding stake in partnership firm)		
	Total	**6.59**	**6.59**

Note: An equity instrument represents contract that evidences a residual interest in the assets of an entity after deducting all its liabilities and includes partnership firm.

5	**OTHER FINANCIAL ASSETS**	**As at 31st March, 2024**	**As at 31st March, 2023**
	(Unsecured, considered good, unless stated otherwise)		
	Security Deposits & Retension Money	948.89	963.56
	Service tax Appeal Deposit	101.93	101.93
	GST Appeal deposit	7.63	0.00
	Total	**1,058.45**	**1,065.49**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

6	**DEFERRED TAX ASSETS (NET)**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Deferred Tax Assets / (Liabilities) in relation to		
	Deferred Tax Assets		
	Interest / Processing Fees Ind As Adjustments	5.35	5.01
	Provision for Employee Benefits	11.71	9.52
	Allowance for Bad & Doubtful Debts	300.50	452.76
	Share Issue expenses/IPO/ Rights issue Expenses	30.17	44.30
	Property, Plant & Equipment		
	Sub-Total (A)	**347.73**	**511.59**
	Deferred Tax Liabilities		
	Property, Plant & Equipment	1.65	3.90
	Interest / Processing Fees Ind As Adjustments		
	Sub-Total (B)	**1.65**	**3.90**
	Deferred Tax Assets / (Liability) (Net) (A-B)	**346.08**	**507.69**

The movement on the Deferred Tax Asset is as follows:

Particluars	**As at 31st March, 2024**	**As at 31st March, 2023**
Balance at the Opening of Reporting period - Deferred Tax Asset	**507.69**	**399.03**
Allowance for Bad & Doubtful Debts	(152.26)	63.73
Property, Plant & Equipment	2.24	0.91
Provision for Employee Benefits	2.19	5.13
Interest / Processing Fees Ind As Adjustments	0.34	4.89
Recognised in Profit & Loss A/c	**(147.48)**	**74.66**
Adjusted against share issue expenses/IPO expenses in equity	**-**	
Share issue expenses/IPO expenses	(14.13)	34.00
Total Movement of Deferred Tax Asset	**(161.62)**	**108.66**
Charge to Other Comprehensive Income	**-**	
Remeasurement of Defined Benefit Plans	-	
Balance at the Closing of Reporting period- Deferred Tax Asset	**346.07**	**507.69**

7	**Inventories**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Raw Materials	-	-
	Work-in-progress	-	-
	Finished Goods	-	-
	Traded Goods	-	-
	Stores & spares	18.38	1.57
	Total Inventories	**18.38**	**1.57**

Inventories are carried at lower of cost and net realisable value.

8	**TRADE RECEIVABLES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Non Current Debtors	-	
	- Unsecured	-	
	Considered Good	969.38	1,571.93
	Considered Doubtful	-	
		-	
		-	
	- Less:- Allowance for Bad & Doubtful Debts	969.38	1,571.93
	Total Non Current debtors	**-**	**-**

	As at 31st March 2024	**As at 31st March 2024**
Current Debtors		
- Unsecured		
Considered Good	2,631.56	1,948.18
Considered Doubtful	-	-
	-	-
	-	-
- Less:- Allowance for Bad & Doubtful Debts	18.60	28.50
Total Current debtors	**2,612.96**	**1,919.68**

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2024 is as follows

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade receivables - Billed						
Undisputed trade receivables – considered good	-	-	-	-	-	
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	969.38	969.38
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-	969.38	969.38
Less: Allowance for doubtful trade receivables - Billed						969.38
Trade receivables - Unbilled						**-**
					Total	**-**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

Ageing for trade receivables - billed current outstanding as at March 31, 2024 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed						
Undisputed trade receivables – considered good	1,689.09	131.92	296.36	399.94	114.25	2,631.56
Undisputed trade receivables – which have significant increase in credit risk					-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	-	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-		2,631.56
Less: Allowance for doubtful trade receivables - Billed						(18.60)
						2,612.96
Trade receivables - Unbilled						

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2023 is as follows

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Trade receivables - Billed						
Undisputed trade receivables – considered good	-	-	-	-	-	
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	1,571.93	1,571.93
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-	1,571.93	1,571.93
Less: Allowance for doubtful trade receivables - Billed						1,571.93
Trade receivables - Unbilled						**-**
					Total	**-**

Ageing for trade receivables - billed current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed	1,167.72	382.18	289.42	72.32	36.54	1,948.18
Undisputed trade receivables – considered good						
Undisputed trade receivables – which have significant increase in credit risk					-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	-	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-		
Less: Allowance for doubtful trade receivables - Billed						28.50
Trade receivables - Unbilled						**-**
					Total	**1,919.68**

9	**CASH AND BANK BALANCES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Cash and cash equivalents		
	Balances with Banks	10.77	6.42
	Cash on hand	66.32	54.37
		77.09	**60.78**
	Bank Balances other than above		
	Fixed Deposit - Margin in lieu of charge creation	1,006.29	973.59
	Unpaid dividend	0.11	0.11
	Escrow Account- Right Issue	-	1,904.61
		1,006.40	**2,878.30**
	Total	**1,083.49**	**2,939.08**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

10	CURRENT TAX ASSETS (NET)	As at 31st March, 2024	As at 31st March, 2023
	Advance Income Tax (net of Provisions)	629.94	458.90
	Total	**629.94**	**458.90**

11	OTHER CURRENT ASSETS	As at 31st March, 2024	As at 31st March, 2023
	Advances to Staff	0.08	0.40
	(Unsecured Considered Good)		
	Loans & Advances	5.22	5.27
	Advances against site/Expenses	436.65	39.92
	Prepaid expenses	33.50	4.55
	Contract Assets	3,914.25	3,772.13
	Total	**4,389.70**	**3,822.27**

Changes in Contract Assets are as follows:	As at 31st March, 2024	As at 31st March, 2023
Contract Assets at the beginning of the year	3,970.67	3,142.37
Revenue Recognised during the year	10,746.41	8,891.11
Invoices raised during the year	(10,596.81)	(8,062.82)
Total	**4,120.27**	**3,970.66**
Provision for contract assets	(206.01)	(198.53)
Contract Assets at the end of the year	**3,914.25**	**3,772.13**
Total		

12	SHARE CAPITAL	As at 31st March, 2024	As at 31st March, 2023
	(a) Authorised		
	2,50,00,000 Equity Shares of Rs. 10 each	2,500.00	2,100.00
	(Previous year: 2,10,00,000 Equity Shares of Rs. 10 each)		
	Total	2,500.00	2,100.00
	(b) Issued, Subscribed and Paid Up		
	2,00,41,499 Equity Shares of Rs. 10 each	2,004.15	2,004.15
	Total	2,004.15	2,004.15
	(c) Reconciliation of the Number of Equity Shares		
	Shares outstanding at the beginning of the year	200.41	100.22
	Shares issued during the year	-	100.19
	Shares bought back during the year		
	Shares outstanding at the Closing of the year	200.41	200.41

(d) Terms and Rights attached to Equity Shareholders

The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity share is entitled to one vote per equity share. The dividend if recommended by the Board of Directors is approved by the members at the ensuing Annual General Meeting.In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets, if any in proportion to the number of shares held at the time of commencement of winding-up. The share holders have all other rights as available to the Equity shareholders as per the provisions of the Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(e) Shareholders holding more than 5% Equity Shares

Equity Shares of Rs.10 each fully paid held by-	As at 31st March 2024 No. of shares (In Lakhs)	As at 31st March, 2023 No. of shares (In Lakhs)
(i) Ravindra Malinga Hegde	65.25	64.79
(ii) Sujata Ravindra Hegde	10.48	10.32

13	OTHER EQUITY	As at 31st March, 2024	As at 31st March, 2023
	(a) Security Premium		
	Opening Balance	1,884.67	642.43
	add : issue of shares	-	1,402.69
	less : Bonus issue	-	-
	less: Share issue expenses net of Tax benefit	(17.32)	(160.45)
	Closing balance	**1,867.35**	**1,884.67**
	(b) Retained Earnings		
	Balance at the beginning of the Financial Year	526.44	239.87
	Adjustment of prior period expense	-	-
	Restated balance at the beginning of the Financial Year	**526.44**	**239.87**
	Profit during the year transferred	346.48	286.55
		-	-
		-	-
	Less: Dividend Paid	-	-
	Tax on Dividend	-	-
	Utilisation for Bonus Issue	-	-
	Balance at the end of the Financial Year	**872.92**	**526.42**

Balance consists of Surplus retained from earned profit after payment of dividend.

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

Total Reserve & Surplus (a)+(b)	2,740.27	2,411.09
(c) Items of Other Comprehensive income		
Remeasurements of defined benefit plans		
Opening Balance	(33.25)	(14.79)
Add: Current year Income/(expense)	(15.83)	(18.46)
Closing balance	**(49.08)**	**(33.25)**
Total Other Equity (a)+(b)+(c)	**2,691.19**	**2,377.84**

14	**Non-Current Liabilities**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Financial Liabilities		
	Borrowings		
	1-Secured loans	807.50	1,154.48
	2-Unsecured loans	9.28	9.46
	TOTAL	**816.78**	**1,163.94**

Secured Loans are secured against property, plant and Equipments and Fixed Deposits (Refer Note 28)

15	**OTHER NON-CURRENT LIABILITIES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Provision for gratuity- Non Current	24.80	22.17
	Total	**24.80**	**22.17**

16	**Current Borrowings**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Working capital and Overdrafts		
	from banks & financial institutions-Secured		
	Apna Sahakari Bank Ltd	1,972.47	1,916.80
	Deutsche Bank	-	-
	Bank of India	741.76	687.16
	State Bank of India	585.06	563.49
	From Related Parties	-	-
	Ravindra Hegde	123.40	155.89
	Sujata Hegde	8.58	43.73
	KHFM HR Consultancy Private Limited	0.10	0.25
		3,431.37	**3,367.32**

Working Capital Loans are secured against current assets(book debts) property, plant and equipments,fixed deposits and personal guarantee of directors. (Refer Note 28)

17	**TRADE PAYABLES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Financial Liabilities carried at Amortised Cost		
	Due to Micro, Small and Medium Enterprises	8.13	17.43
	Others	-	
	(i) Related Parties	2.48	1.99
	(ii) Other Parties	243.80	474.25
	Total	**254.41**	**493.67**

Ageing for trade payables outstanding as at March 31, 2024 is as follows

Particulars	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade payables					
MSME*	8.13	-	-		8.13
Others	220.05	19.60	5.86	0.76	246.28
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	228.18	**19.60**	**5.86**	**0.76**	**254.41**
Accrued expenses					

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Ageing for trade payables outstanding as at March 31, 2023 is as follows

Particulars	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade payables					
MSME*	8.64	8.79	-		17.43
Others	306.68	162.60	6.96		476.24
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	315.32	**171.39**	**6.96**	**-**	**493.67**
Accrued expenses					

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

18	**OTHER FINANCIAL LIABILITIES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Financial Liabilities carried at Amortised Cost		
	Current Maturity of long term debt	356.70	303.84
	Unclaimed Dividend	0.11	0.11
	Subcontractor deposits	187.07	227.60
	Deposit premises	4.50	4.50
	Total	**548.38**	**536.05**

19	**PROVISIONS (CURRENT)**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Provision for Gratuity	21.72	15.64
	Provision for Employee benefit expenses	384.30	647.36
	Provision for Audit fees	7.00	8.00
	Provision for other expense	-	0.08
	Total	**413.02**	**671.08**

20	**OTHER CURRENT LIABILITIES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Statutory dues	281.68	235.81
	Total	**281.68**	**235.81**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

All Amount in INR Lakhs

21	**REVENUE FROM OPERATIONS**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Contracted Price (Services)	10,746.41	8,891.12
Less:	Reduction towards variable consideration components	1.90	1.34
	Total	**10,744.51**	**8,889.78**

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

The Company has applied the accounting policy and presentation as required by Ind As 115- Revenue from contracts with customers and recognized revenue when a performance obligation is satisfied by transferring a promised service to the customer and accordingly the company has presented the contract in the balance sheet as contract asset for service rendered remaining unbilled. Contract revenue recognised is subject to change and is affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The Company classifies the right to consideration in exchange for deliverables as either as a receivables or as unbilled revenue if revenue is accrued. Receivables and unbilled revenue are a right to consideration that is unconditional upon passage of time. Receivables is presented net of impairment in the Balance Sheet.

22	**OTHER INCOME**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Rental Income	9.73	8.65
	Profit on Sale of Property, Plant & Equipments	-	17.13
	Interest on Bank Fixed Deposits	54.62	39.44
	Remission of Liability	2.20	16.06
	Total	**66.55**	**81.28**

23	**EMPLOYEE BENEFITS EXPENSES**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Salaries, Wages and Bonus	4,657.07	3,626.30
	Contribution to Provident Fund and Other funds	572.09	332.37
	Staff Welfare expenses	13.00	4.65
	Total	**5,242.16**	**3,963.32**

24	**FINANCE COST**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Interest Expenses for financial liabilities measured at amortised cost	507.76	594.12
	Total	**507.76**	**594.12**

25	**DEPRECIATION**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Depreciation on property, plant and equipment	52.19	26.46
	Depreciation on investment property	2.74	2.87
	Amortisation of intangible assets	3.51	3.78
	Amortisation of leasehold land	-	-
	Total	**58.44**	**33.11**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

26	OTHER EXPENSES	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	Direct Expenses		
	Site Expenses	1,166.80	718.11
	Labour Charges	2,672.16	1,852.71
	Consumption of stores, spares & Consumables	107.18	98.28
	Uniform Expenses	16.86	3.34
	Blocked credit	31.79	16.47
	Deductions on Service dues	149.51	215.41
	Indirect Expenses		
	Advertising and domain expenses	12.23	5.94
	Audit Fees	9.73	27.37
	Computer, Software & Printer Expenses	2.99	3.32
	Commission	1.93	18.75
	Donation	1.03	0.47
	Insurance	45.31	42.38
	Miscellaneous Expenses	11.77	6.13
	Office Expenses	9.71	7.92
	Power & Fuel	6.86	1.66
	Professional tax	0.08	0.08
	Legal & Professional Charges	27.37	104.03
	Licence fees	0.15	0.61
	Listing Fees	-	0.25
	Interest late fees and penalty	14.07	11.02
	Printing & Stationery	2.05	1.25
	Rent Including Lease Rentals	39.19	27.96
	Repair & Maintenance	15.99	26.95
	Allowance for Bad & Doubtful Debts/ Contract Assets	7.48	671.32
	Tender realted expense	27.70	7.30
	Telephone Charges	2.67	1.53
	Transport Charges	16.47	21.93
	Travelling and Conveyance	127.55	186.65
	Total	**4,526.63**	**4,079.12**

Auditor's remuneration

Auditor's remuneration consists of the following

Statutory Audit Fees	7.00	8.00
Statutory audit fees paid for previous financial year	**-**	8.00
Tax Audit Fees	0.50	0.13
Internal Audit fees	0.15	0.15
Certifications and other review services	1.03	10.64
Stock Audit fees	**1.05**	0.45
	9.73	**27.37**

Certification and other review services primarily includes certification fees paid to auditors . Statute and regulation permit auditors to certify tender related documents, and related review services among others.

27	**INCOME TAX**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	(a) Income Tax recognized in Statement of Profit & Loss		
	Current Tax Expenses	(82.04)	8.07
	Tax of the Earlier Years	64.17	81.39
	Deferred Tax Expenses	147.48	(74.65)
	Total Tax Expenses recognized in Statement of Profit & Loss	**129.61**	**14.81**
	(b)Tax expenses related to Items recognized in Statement of Other Comprehensive Income		
	Remeasurement of Defined Benefit Plans	(5.32)	(6.21)
	Income tax Charged to Statement of Other Comprehensive Income	(5.32)	(6.21)
	(c) Reconciliation of Effective Tax Rate		
	Profit Before Tax	476.10	301.37
	Tax at India's stautory Income Tax rate	25.17	25.17
	Expected Income tax expense/(benefit)	**119.83**	**75.85**
	Tax effect of adjustments to reconcile expected Income Tax expense to reported Income Tax expense		
	Tax on Items inadmissible to be debitted to P/L	288.53	283.96
	Tax on Items admissible to be debitted to P/L /Considered under separate head	(505.86)	(366.02)
	Tax on Items Considered under other Head of income	15.46	14.28
	Tax on prior periods arose in current period	-	64.17
	Current Tax Expense	(82.04)	72.24
	Tax on Items recognised in other comprehensive income	(5.32)	(6.21)
	Total Tax Expenses /(benefits)(A)	**(87.36)**	**66.03**
	Incremental Deferred Tax Liability/(Assets) on account of Property, Plant and Equipment	(2.24)	(0.91)
	Incremental Tax Liability / (Assets) on account of Financial assets and Other Items	149.72	(73.75)
	Deferred Tax Provision (B)	**147.48**	**(74.65)**
	Total Tax Expenses/(benefits) (A + B)	**60.12**	**(8.62)**
	Effective Tax Rate	**12.63%**	**-2.86%**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY
NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

Note No 28 **All Amount in INR Lakhs**

A. Working Capital Facilities & Term Loans from Banks

Name of Lender	Purpose	Sanction Amount(in lakhs)	Rate of interest	Securities offered	Re-payment	Moratorium	As At	As At
Secured Borrowings							**31-03-2024**	**31-03-2023**
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	1895.00	11% p.a.	**Primary Security :** Hypothecation of Stock & Book Debts **Collateral Security :** As per Note 1	On Demand	NA	1,927.24	1,916.80
State Bank of India	Working Capital (Cash Credit)	585.00	8.15%	As per Note 5	On Demand	NA	585.06	563.49
Bank of India	Working Capital (Cash Credit)	752.00	11.25%	As per Note 4	On Demand	NA	741.75	687.16
Apna Sahakari Bank Ltd.	Business Loan (Loan against book debts and property)	300.00	11.50% p.a.	**Security :** As per note no 3.	120 EMIs of 4.26 lacs each	NA	154.95	187.27
	Business Loan (Loan Against Property)	100.00	12% p.a.	**Security :** As per note no 2.	120 EMIs of Rs. 1.45 Lacs each	Nil	23.66	37.69
	Loan against deposit	40.00	7.5% p.a	Secured against Fixed deposit of Rs 45.01 Lakhs	EMIs of Rs 0.24 lacs each	Nil	-	35.76
	Temporary overdraft	45.20	8.30%	-	Monthly interest remittance	Nil	45.22	-
	Temporary overdraft	25.00	6.45%	-	Repaid on 05.04.2023	Nil	-	25.13
	Business Loan (Loan against book debts and property)	550.00	11% p.a.	**Security :** As per note no 3.	84 EMIs of Rs 9.52 lacs each	Nil	373.56	442.25
Bank of India	Business Loan (Loan Against Property)	185.00	8.85% p.a.	As per Note 4	84 EMIs of Rs 2.20 lacs each	Nil	53.16	68.13
	Business Loan (Loan Against Property)	53.00	8.85% p.a.	As per Note 4	84 EMIs of Rs 0.63 lacs each	Nil	32.17	40.77
	Business Loan (Loan Against Property)	48.00	8.10% p.a	As per Note 4	36 EMIs of Rs 1.33 lacs each	Nil	5.33	21.77
	Business Loan (Loan Against Property)	500.00	9.40% p.a.	As per Note 4	Moratorium for First 24 Month and next 36 month EMI of RS 15.55 lacs each	Yes	452.70	500.00

Notes

Apna Sahakari Bank Ltd. - Cash Credit Rs. 1895.00 Lacs

1. Collateral Security : Shop No 1 & 3, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Shop No 2, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 & Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. Flat No. 18, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-400060 held in the name of Mrs Sujata Hegde

Apna Sahakari Bank Ltd. – Loan against Property Rs. 100.00 Lacs & 50.00 Lacs

2. Security : Shop No 1 & 3, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Shop No 2, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 & Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. Flat No. 18, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-400060 held in the name of Mrs Sujata Hegde & FDR of Rs 210 lakhs.

Apna Sahakari Bank Ltd. – Loan against Property Rs. 300.00 Lacs & 550 Lacs

3. Security: Shop No 1 & 3, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Shop No 2, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 & Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. Flat No. 18, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-400060 held in the name of Mrs Sujata Hegde & FDR of Rs 210 lakhs.

Bank Of India

4 Security: First Pari Passu Charge on Book debts with Apna Sahakari Bank- Apna Sahkari Bank has limits of Rs. 15.00 crores and BG Limit of Rs. 14.00 crores and accordingly BOI share is 18.67 % of Bookdebts. Second Pari-Passu charge for GECL Collateral facility on Book Debts with Apna Sahakari Bank. Eqm of Flat No. 2504, 25th Floor, F Wing, Building No. 1, Oberoi Spleandur, JVLR, Jogeshwari (E), Mumbai -60, EQM of Flat No. 17, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-60

State Bank of India

5.Security: First paripassu charge basis to secure our funded and non-funded Working Capital credit facilities with Apna Sahakari Bank Ltd and Bank of India on Current Assets viz. Stocks of raw material, stock in process, finished goods, consumable stores & spares and book debts, bills whether documentary or clean, outstanding monies, receivables of the company, both present and future. Equitable mortgage of commercial building: 3rd Floor, Antariksh, Village Marol, Andheri, Mumbai, Maharashtra-400059

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

All Amount in INR Lakhs

29	EARNING PER SHARE	Year ended 31st March, 2024	Year ended 31st March, 2023
	(a) Net Profit for Basic & diluted EPS	346.46	286.58
	(b) Number of Equity Shares at the beginning of the period (in Lakhs)	200.41	100.22
	(c) Total Number of Shares outstanding at the end of the year (in Lakhs)	200.41	200.41
	(d) Adjusted Weighted Average number of Equity Shares outstanding (in Lakhs)	200.41	123.74
	Earning Per Share - Basic	**1.73**	**2.32**
	Earning per share - Diluted	**1.73**	**2.32**
	Face value per share (Rs.)	**10.00**	**10.00**

30	CONTINGENT LIABILITIES & COMMITMENTS	As at 31st March, 2024	As at 31st March, 2023
	(a) Claims against the company not acknowledged as debt:		
	- Service Tax	1,389.40	1,389.40
	- ESIC	15.07	-
	- Goods and Service Tax	179.49	-
	Considering the facts of the case, the company and the tax advisors believe that the final outcome should be in favour of the company.		
	(b) Guarantees		
	(i) Bank Guarantees	935.93	942.39

31	THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006	As at 31st March, 2024	As at 31st March, 2023
	The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:		
	(a) Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March, 2024	8.13	17.43
	(b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	
	(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the	-	
	(d) the amount of interest accrued and remaining unpaid	-	
	(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	
	(f) the amount of provision made for payment to MSME Enterprises	-	

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED STANDALONE FINANCIAL STATEMENTS

.

32 RELATED PARTY DISCLOSURES

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

(a) List of Related Parties

(i) Companies/Firms under Common Management

(a) Sujata Hegde (Prop Palemer Enterprises)
(b) Ravindra Hegde (Prop KHFM Pest Control)
(c) KHFM HR Consultancy Private limited

(ii) Key Managerial Personnel	**Designation**
(a) Ravindra Hegde	Managing Director
(b) Sujata Hegde	Director & Chief Financial Officer (CFO)
(c) Saurav Hegde	Director
(d) Rahul Pathak	Company Secretary & Chief Financial Officer (Resigned)
(e) Akash Bate	Company Secretary
(f) Girish Ramnani	Non Executive & Independent Director
(g) Brahm Pal Singh	Non Executive & Independent Director (Resigned)
(h) Kapildeo Agarwal	Non Executive & Independent Director
(i) Prabhakar Patil	Non Executive & Independent Director

(iii) Subsidiaries

(a)KHFM Infra Projects Private Limited
(b)KHFM & DP Jain Company

(b) The following transactions were carried out with related parties in the ordinary course of business: **All Amount in INR Lakhs**

Name of Party	**Type of relation**	**Nature of Transaction**	**Income / Expense/ Asset/ Liability**	**2023-24 Amount**	**2022-23 Amount**
Sujata Hegde (Prop Palemar Enterprises)	Companies under Common Management	Interest Expenses	Expense	0.58	1.31
		Closing Balance			
		Unsecured Loans	Liability	8.58	43.73
Ravindra Hegde (Prop. KHFM Pest Control)	Companies under Common Management	Interest Expenses	Expense	4.63	7.88
		Closing Balance			
		Unsecured Loans	Liability	123.40	155.89
KHFM HR Consultancy Private Limited	Companies under Common Management	Unsecured Loans	Liability	0.10	0.25
Ravindra Hegde	Managing Director	Director Remuneration	Expense	12.00	12.00
		Rent Paid	Expense	10.80	10.80
		Dividend Paid	Expense/Equity	-	-
		Closing Balance			
		Creditor	Liability	2.10	1.29
		Salary Payable	Liability	1.31	3.82
Saurav Hegde	Director	Director remuneration	Expense	9.00	7.20
		Dividend paid	Expense	-	-
		Closing Balance			
		Creditor	Liability	-	-
		Salary payable	Liability	0.21	0.03
Sujata Hegde	Director	Director Remuneration	Expense	7.20	7.20
		Dividend Paid	Expense/Equity	-	-
		Closing Balance			
		Creditor	Liability	0.38	0.70
		Salary Payable	Liability	2.06	0.48

Name of Party	Type of relation	Nature of Transaction	Income / Expense/ Asset/ Liability	2023-24 Amount	2022-23 Amount
Rahul Pathak	Company Secretary and CFO (Resigned wef 17.02.2024)	Salary	Expense	8.67	7.20
		Closing Balance			
		Salary Payable	Liability	-	0.75
Kapildeo Agarwal	Non Executive & Independent Director	Sitting fees	Expense	0.38	0.38
		Closing Balance			
		Sitting fees payable	Liability	0.34	0.34
Brahm Pal Singh	Non Executive & Independent Director	Sitting fees	Expense	0.12	0.41
		Closing Balance			
		Sitting fees payable	Liability	-	0.32
Girish Ramnani	Non Executive & Independent Director	Sitting fees	Expense	1.00	1.05
		Closing Balance			
		Sitting fees payable	Liability	1.08	0.81
Prabhakar Patil	Non Executive & Independent Director	Sitting fees	Expense	0.38	-
		Closing Balance			
		Sitting fees payable	Liability	0.28	-

(c) Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions.
The Board of Directors have furnished guarantee of properties held in their own name against loans/ working capital limits sanctioned by the Banks to the company. Particulars of the same is referred in Note: 28 of Standalone Financial Statements

33. INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value Recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.
A financial asset is held for trading if, it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Fair value of equity shares of co-operative banks which are unlisted is not available, hence the same is recorded as Cost.

34. INVESTMENTS IN EQUITY SHARES AT FAIR VALUE THROUGH PROFIT & LOSS (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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

35. FINANCIAL INSTRUMENTS

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

(a)The Carrying values of Financial Assets and Liabilities have been given under:
(All Amount in INR Lakhs)

31st March 2024	**Fair value through Profit and Loss**	**Fair value through Other Comprehensive Income**	**Amortised cost**	**Total**
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-		6.59	6.59
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	-	-
Other Non-Current Financial Assets	-	-	1058.45	1058.45
Current Assets:-				
Cash & Cash equivalents	-	-	77.09	77.09
Bank Balance other than above	-	-	1006.40	1006.40
Trade receivables	-	-	2612.96	2612.96
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-	-	-	-	-
Borrowings	-	-	816.77	816.77
Other financial liabilities				
Current :-	-	-	-	-
Borrowings	-	-	3431.37	3431.37
Trade payables	-	-	254.40	254.40
Other financial liabilities			548.37	548.37

31st March 2023	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	-	6.59	6.59
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	-	
Other Non-Current Financial Assets	-	-	1065.49	1065.49
Current Assets:-				
Cash & Cash equivalents	-	-	60.78	60.78
Bank Balance other than above			2878.30	2878.30
Trade receivables	-	-	1919.68	1919.68
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-	-	-	-	-
Borrowings	-	-	1163.94	1163.94
Other financial liabilities				
Current :-	-	-	-	-
Borrowings	-	-	3367.32	3367.32
Trade payables	-	-	493.67	493.67
Other financial liabilities			536.06	536.06

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2024 and 31st March, 2023 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant each of year presented.

(b) Fair value hierarchy

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

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

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

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

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

I Financial risk management

i) Risk management framework

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

b) The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which the employees understand their roles and obligations.

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

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

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities, loans given to related parties and project deposits. The carrying amount of financial assets represents the maximum credit exposure.

- Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's Credit risk in this respect. The Company's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects that vary in sizes and types with numerous different customer categories in a large number of geographical markets. Based on prior experience and an assessment of the current economic environment, management has recognized appropriate provision for expected credit loss.

Reconciliation of Expected Credit Loss on Trade Receivables

(All amount in INR Lakhs)

Particulars	**31st March 2024**	**31st March 2023**
Opening Expected Credit Loss	1600.43	1388.63
Additions	-	629.90
Less: Bad Debts Booked	(612.44)	(418.10)
Closing Expected Credit Loss	987.99	1600.43

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

(b) Cash and Bank Balances

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Comp'ny's approach to managing liquidity is to ensure, as far as possible,

that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Comp'ny's reputation. Management monitors rolling forecasts of the Comp'ny's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

• Exposure to Liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2024. **(All Amount in INR Lakhs)**			
Particulars	**Due within 12 Months**	**Due within 1 to 3 years**	**More than 3 years**
Financial Liabilities Borrowings	356.70	620.89	195.88
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2023.			
Financial Liabilities Borrowings	303.84	644.02	519.92

(d) Market risk

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

(e) Currency risk

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

(f) Interest rate risk

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

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

(All Amount in INR Lakhs)

Particulars	**31st March, 2024**	**31st March, 2023**
Financial Assets		-
Fixed rate instruments Bank Deposits - Current - Non Current	1017.07	980.00

Financial Liabilities		
Fixed rate instruments		-
Variable rate instruments		
Borrowing - Short term borrowing - Long term borrowing	3788.07 816.78	3671.16 1163.94

36. EMPLOYEE BENEFITS

(i) Short term employee benefits

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

(ii)Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows. As per Ind AS 19 , the service cost and the net interest cost would be charged to the Profit & Loss account . Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and alsodue to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income(OCI). When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Gratuity benefit liabilities of the company are funded to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

Funded status of the Plan: **(All Amount in INR Lakhs)**		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Present value of funded obligations	139.43	103.51
Fair value of plan assets	(92.91)	(66.80)
Net Liability (Asset)	46.52	36.71

Profit and loss for the period: **(All Amount in INR Lakhs)**		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Service Cost:		
Current Service Cost	14.54	11.56
Past Service Cost and loss/(gain) on curtailments and settlements	-	-
Net Interest Cost	2.11	0.59
Total included in ''Employee benefit expense"	**16.66**	**12.16**

Other comprehensive Income for the period **(All Amount in INR Lakhs)**		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	-	(4.66)
Due to change in demographic assumption	-	-
Due to experience adjustments	22.87	30.01
Return on plan assets excluding amounts included in interest income	(1.72)	(0.66)
Amounts recognized in Other Comprehensive (Income) / Expense	21.14	24.67

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Opening Defined Benefit Obligation	103.51	81.28
Current service cost	14.54	11.56
Interest cost	5.94	3.21
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions		(4.66)
Due to change in demographic assumption	-	-
Due to experience adjustments	22.87	30.01
Benefits paid from fund	(6.28)	(1.09)

Benefits paid by the company	(1.16)	(16.78)
Closing Defined Benefit Obligation	**139.43**	**103.51**

Reconciliation of Plan assets (All Amount in INR Lakhs)		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Opening value of plan assets	66.80	63.86
Transfer in/(out) plan assets	-	-
Interest Income	3.82	2.61
Return on plan assets excluding amounts included in interest income	1.72	0.66
Contributions by employer	26.84	0.75
Contributions by Employee		-
Benefits paid	(6.28)	(1.09)
Closing value of Plan assets	92.91	66.80

The assumptions used in accounting for the defined benefit plan are set out below:		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Discount rate	7.20% p.a	7.20% p.a
Salary Growth Rate	6.60% p.a	6.60% p.a
Withdrawal rates	50.00% p.a at all ages	50.00% p.a at all ages

37. SEGMENT REPORTING

In accordance with Ind AS 108 on Operating Segments , the Company has identified its business segment as " Hospitality & Facility Management Services". There are no other primary reporatable 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.

38. PAYMENTS MADE TO VENDORS COVERED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT(MSMED) ACT, 2006

Trade payables are due as and when invoices are booked in accounting records. There is no liability towards interest on delayed payments under 'The Micro, Small and Medium Enterprises Development Act 2006' during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. Information in this regard is on basis of intimation received, on requests made by the Company, with regards to registration of vendors under the said Act.

39. Balances of trade receivables, trade and other payables (including micro and small enterprises and including capital creditors) and loans and advances are subject to confirmation and reconciliation, if any.

40. CAPITAL MANAGEMENT

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

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

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

41. The code on Social security, 2020 relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules are published.

42. POST REPORTING EVENTS

Apart from issuing shares/warrants on preferential basis; no adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

43. BORROWINGS OBTAINED ON THE BASIS OF SECURITY OF CURRENT ASSETS

As per sanctioned letter issued by Banks, the Company is required to submit Stock and Book Debts statement to Banks on monthly basis. The Books Debts including contract assets are in agreement with books of accounts except for some reconciliation items.

44. REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Company has not done revaluation of PPE / Intangible assets.

45 :UTILISATION OF BORROWED FUNDS

As on March 31st, 2024 there is no unutilised amounts in respect of long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

46 :UNDISCLOSED INCOME

The Company does not have any such trasaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

47 :DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

48 :REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

49. No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

50. DISCLOSURE OF RATIOS

Particulars	As at March 31st ,2024	As at March 31st ,2023	% of change in ratio	Remarks
Current Ratio	1.77	1.72	-2.82%	Improvement in current ratio due to proceeds from rights issue in March 2023
Debt-Equity Ratio	1.23	1.48	17.02%	Improvement in debt equity ratio due to proceeds from rights issue in March 2023
Debt Service Coverage Ratio	1.21	0.74	-63.97%	The company managed to earn enough profit to cover its interest payments by cutting down on other expenses.
Return on Equity Ratio(%)	7.29%	8.58%	15.06%	Average networth has increased compared to previous year on account of proceeds from rights issue in March 2023. Accordingly Return on equity has reduced.But the company manages to earn profit over the previous year.
Inventory Turnover Ratio	10.75	60.86	82.34%	Stock of Inventory has been increased significantly as compared to previous year.
Trade Receivables Turnover Ratio	4.74	4.14	-14.46%	Improvement in ratio due to increase in revenue
Trade Payable Turnover Ratio	12.10	8.11	-49.26%	Average trade payables outstanding have been reduced comparatively from previous year. Outstanding Trade payables have been reduced in current year due to improvement in cashflow consequently from the proceeds of rights

				issue in March 2023
Net Capital Turnover Ratio	2.29	2.03	-12.80%	Improvement in ratio due to increase in revenue
Net Profit Ratio(%)	3.08%	3.02%	-2.05%	The Company manages to earn a profit over the previous year due to reduction in cost attributable to projects.
Return on Capital Employed (%)	21.68%	28.62%	24.26%	Average networth has increased compared to previous year on account of proceeds from rights issue in March 2023. Accordingly Return on capital employed has reduced. But the company manages to earn profit over the previous year.

PARAMETERS USED FOR COMPUTATION OF FINANCIAL RATIOS ARE AS FOLLOWS:

Particulars	**Formula**
Current Ratio	Current Asset /Current Liablities
Debt-Equity Ratio	Total Debt/Total equity
Debt Service Coverage Ratio	Earnings before Interest, Tax, Exceptional Items and Non Cash Item/ Interest Expense + Principal Repayments of external loans & Lease Payments
Return on Equity Ratio	Profit After Tax (Attributable to Owners) /Average Net Worth
Inventory Turnover Ratio	Cost of Goods Sold (Cost of Material Consumed + Purchases + Changes in Inventory + Manufacturing Expenses / Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade
Trade Receivables Turnover Ratio	Value of Sales & Services / Average Trade Receivable
Trade Payable Turnover Ratio	Cost of Material Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses/ Average Trade Payables
Net Capital Turnover Ratio	Value of Sales & Services / Net Worth
Net Profit Ratio	Profit After Tax / Value of Sales & Services
Return on Capital Employed (Excluding Working Capital Financing)	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates

	and Joint Ventures/ Average Capital Employed

51: - COMPARATIVES

Previous year figures are re-grouped, re-classified and re-arranged, wherever considered necessary to confirm to current year's presentation.

52. The Standalone Financial Statements are presented and rounded off in INR Lakhs except for per share information or as stated otherwise.

53. In respect of financial year commencing on 1st April 2023, company has used an accounting software for maintaining its books of accounts which has feature of recording audit trail(edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, audit trail feature during the year was not tempered with.

54. Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Company have recommended a final dividend of Rs 0.50 per equity share in respect of financial year ended 2023-24 subject to the approval of shareholders at the Annual General Meeting.

55. APPROVAL OF FINANCIAL STATEMENTS

The Standalone Financial Statements were approved for issue by the Board of Directors on May 30th, 2024.

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

As per our report of even date attached

For and on behalf of the Board of

For GTA & CO LLP
Chartered Accountants
Firm Regn No. 105482W/W100817

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Ravindra Hegde
Managing Director
DIN – 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN - 01829352

Gaurav Saboo
Partner
M No. 149116
UDIN : 24149116BKJOFZ1604
Place: Nagpur
Date: 30th May 2024

Akash Bate
Company Secretary
Place: Mumbai

Date: 30th May 2024

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

CIN – L74930MH2006PLC159290

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2024

1. CORPORATE INFORMATION

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

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

Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 18th, 2018, the company was converted from "**KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES PRIVATE LIMITED"** to **"KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED"** vide a fresh Certificate of Incorporation dated May 30th, 2018 issued by the Registrar of Companies, Mumbai, Maharashtra, The Corporate Identification Number of our Company is **L74930MH2006PLC159290**.

The Company is listed on the the SME Platform of National Stock Exchange of India Limited (NSE). The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("₹").

The consolidated financial statements as at 31st March ,2024 presents the financial position of the company as well as and its subsidiaries.

Nature of Operations

The Company and its subsidiaries (collectively reffered to as 'the group') have the presence over the entire value chain of Facility Management (including House Keeping and Pest Control), Hospitality Management & Catering, Horticulture and Gardening and Security Services and such other related activities.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

I. BASIS OF PREPARTION AND PRESENTATION:

The Consolidated financial statements of KHFM Hospitality and facility Management Services Limited and its subsidiaries ("the Group") have been prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013(`Act') (to the extent notified) read with the Rules 3 of the Companies (Indian accounting standard) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements have been prepared on going concern, accrual and historical cost basis except for the following assets and liabilities and items of Statement of Profit and Loss which have been measured at fair value at the end of each reporting period:

a) Defined Benefit Plans – Plan Assets
b) Equity Settled Share Based Payments and
c) Certain Financial assets and liabilities measured at fair value.

The consolidated financial statements are presented in INR Lakhs which is also the Group's functional currency.

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GROUP INFORMATION

The Consolidated Financial Statements of the Group includes subsidiaries mentioned in the table below :-

Particulars	Country of Incorporation	As on 31st March, 2024	As on 31st March, 2023
KHFM Infra Projects Private Limited	India	99%	99%
KHFM & D.P Jain Company	India	99%	99%

II. BASIS OF CONSOLIDATION:

a) The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March,2024. Control is achieved when the Company:

- Has power over the investee,
- Is exposure or rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control. When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangement with the other vote holders of the investee,

- Rights arising from other contractual arrangements,
- The Company's voting rights and potential voting rights and
- Size of the Company's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in consolidated financial statements from the date the Holding Company gains control until the date the it ceases to control the subsidiary.

If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements, for like transactions and other events in similar circumstances appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group, i.e., year ended on 31st March 2024.

Consolidation procedure followed is as under:

- Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date,
- The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is subject to adjustment of goodwill and
- Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance.

  A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

b) The Holding Company has gained Management and Operating control in the investee- KHFM Infra Projects Private Limited and KHFM & D.P Jain Company from 30th May, 2022 and 3rd January 2023 respectively. Consequently, on gaining Management Control in investee, the Management of the Holding Company has

prepared Consolidated Financial Statements which includes the financial results of the subsidiary entities for the comparative period as mentioned below:

- KHFM Infra Projects Private Limited (For the period from 20th April, 2022* to 31st March 2023)
- KHFM & D.P Jain Company (For the period from 3rd January, 2023 to 31st March 2023)

* Being the date of incorporation.

Holding Company acquired controlling stake in two entities during the FY 2022-23 for an investment value of Rs 1.09 lakhs. Thus, the investees have become subsidiaries of the reporting entity. Consequently, holding company has presented consolidated financial statements for the first time during FY 2022-23;

c) Subsidiaries are entities over which the Holding Company has control and are consolidated on a line-by-line basis from the date the control is transferred to the holding company. They are deconsolidated from the date that control ceases.

d) In case of loss of control of a subsidiary, any excess of fair value of consideration received over carrying amount of the assets (including any goodwill) and liabilities of the subsidiary, is recognised as gain or loss in Statement of Profit and Loss. Additionally, components of Other Comprehensive Income of Subsidiaries are reclassified to Statement of Profit and Loss or transferred directly to retained earnings.

e) Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

f) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of capital in each subsidiary.

g) Non-Controlling interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Group.

h) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

III. USE OF ESTIMATION

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

a) Current/Non-Current Classification:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

b) Revenue Recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

• Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.

• In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the

customer. Revenue also excludes taxes collected from customers. The Group's contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

c) Property, Plant & Equipment:

Property, plant & equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognized. Expenditure directly relating to construction activity is capitalized.

The Group reviews the useful lives of property, plant and equipment and other intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortization expense in future periods. Other Indirect Expenses, if any incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as per – operative expenses and disclosed under Capital Work – in – Progress. Depreciation on Property, Plant and Equipment is provided on a pro-rata basis on the Written Down Value method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The Details of of the Depreciation Rate used by the management are as follows :

Type of Assets	Useful life as per Schedule II
Office Premises	60 Years
Plant & Machineries	15 Years
Vehicles	8 Years
Interior Fit outs	10 years
Office Equipments	15 Years /5 Years
Furniture & Fixtures	10 Years

Computers (Servers & Networks)	6 Years
Software	3 years

d) Impairment of Goodwill:

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGUs represent the weighted average cost of capital based on historical market returns of comparable companies.

e) Financial Assets:

Financial assets comprise of investments in limited liability partnership firms, equity and preference shares, trade receivables, cash and cash equivalents and other financial assets.

- **Initial recognition:**

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

- **Subsequent Measurement:**

➢ **Financial assets measured at amortized cost:**

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

The Group while applying above criteria has classified the following at amortized cost:

a) Trade receivable.

b) Cash and cash equivalents.

c) Other Financial Asset.

➢ **Equity investments in subsidiaries:**

The Group has availed the option available in Ind AS 27 to carry its investment in subsidiaries and limited liability partnership and Partnership firms at cost. Impairment recognized, if any, is reduced from the carrying value.

a) Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

- **De-recognition of financial assets:**

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

- **Impairment of Non-Financial Assets:**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

f) Inventories:

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

g) Cash and Cash Equivalents:

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

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks.

h) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

i) Financial Liabilities:

- **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

- **Subsequent measurement:**

These liabilities include are Preference shares, borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking

into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

- **De-recognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the statement of profit or loss.

j) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are Recognised in profit or loss in the period in which they are incurred based on Amortised Cost as per Ind AS using effective interest rate method.

k) Employee Benefits:

The accounting of employee benefit plans in the nature of defined benefit requires the group to use assumptions. These assumptions have been explained under employee benefits note.

l) Taxes:

(i) Current Income Taxes

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred Taxes

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m) Provisions for Income Tax and Deferred Tax Assets:

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

n) Provisions, contingent assets and contingent liabilities:

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

III. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

IV. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31st, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2024

All Amount in INR Lakhs

	Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
A	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	3	265.70	89.52
	(b) Right- of - Use Assets		-	-
	(c) Capital Work in Progress		-	-
	(d) Investment properties	3(a)	53.39	56.13
	(e) Goodwill			
	(f) Other Intangible Assets	3	2.03	5.53
	(g) Intangible Assets Under Development		-	-
	(h) Biological assets other than Bearer plants		-	-
	(i) Financial Assets			
	(i) Investments	4	5.50	5.50
	(ii) Trade Receivables	8	-	-
	(iii) Other Financial Assets	5	1,058.45	1,065.49
	(j) Deferred Tax Assets (Net)	6	346.05	507.69
	(k) Other Non-Current Assets			
	SUB-TOTAL		**1,731.12**	**1,729.87**
	Current Assets			
	(a) Inventories	7	18.38	1.57
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	8	2,653.02	1,919.68
	(iii) Cash and Cash Equivalents	9	109.49	63.55
	(iv) Bank Balances other than (ii) above	9	1,006.40	2,878.30
	(v) Other Financial Assets		-	-
	(c) Current Tax Assets (Net)	10	622.07	455.75
	(d) Other Current Assets	11	4,530.45	3,968.58
	SUB-TOTAL		**8,939.81**	**9,287.42**
	Non Current Assets Classified as Held for sale			
	Total Assets		**10,670.94**	**11,017.30**
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	12	2,004.15	2,004.15
	(b) Other Equity	13	2,666.08	2,383.98
	Total equity attributable to equity holders of the Company		**4,670.23**	**4,388.13**
	(c) Non- Controlling Interests		39.47	0.07
			4,709.70	**4,388.20**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	816.78	1,163.94
	(ii) Other Financial Liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax Liabilities (Net)		-	-
	(d) Other Non-Current Liabilities	15	24.80	22.17
			841.58	**1,186.11**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	3,607.81	3,495.86
	(ii) Trade Payables	17	282.65	510.40
	(iii) Other Financial Liabilities	18	548.38	551.15
	(b) Provisions	19	413.62	671.33
	(c) Other Current Liabilities	20	267.20	214.24
			5,119.66	**5,442.98**
	Total Equity and Liabilities		**10,670.94**	**11,017.30**

Significant Accounting Policies

See accompanying Notes to the Consolidated Financial Statements **1-46**

As per our Attached report of even date

For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

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

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOGA8958
Place: Nagpur
Date: 30/05/2024

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai
Date: 30/05/2024

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

All Amount in INR Lakhs

	Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I	Revenue from Operations	21	11,209.48	9,023.49
II	Other Income	22	67.33	81.28
III	**Total Revenue (I+II)**		**11,276.81**	**9,104.77**
IV	**EXPENSES**			
	Employee Benefits Expense	23	5,281.42	3,964.32
	Finance Costs	24	532.81	597.32
	Depreciation and Amortization Expense	25	58.65	33.19
	Other Expenses *	26	4,951.87	4,199.22
	Total Expenses (IV)		**10,824.75**	**8,794.05**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**452.06**	**310.72**
VI	Exceptional Items			
VII	Profit/(Loss) before Tax (V-VI)		452.06	310.72
VIII	**Tax Expense:**	27		
	(1) Current Tax		(74.16)	11.23
	(2) Reversal/Provision of Income Tax- Earlier years		63.79	81.39
	(3) Deferred Tax		147.51	(74.65)
	Total Tax Expense		**137.14**	**17.97**
IX	**Profit (Loss) for the period (VII-VIII)**		**314.92**	**292.76**
X	**Other Comprehensive Income**			
	(1) Items that will not be reclassified subsequently to Statement of Profit & Loss			
	Re-measurement (Gain)/Loss on Defined Benefit Plan		21.15	24.67
	(2) Income tax relating to items that will not be reclassified to Statement of Profit		(5.32)	(6.21)
	(3) Items that will be reclassified subsequently to Statement of Profit & Loss			
XI	**Total Comprehensive Income for the period (IX+X)**		**299.09**	**274.29**
	Profit attributable to			
	Owners of the company		315.24	292.69
	Non-controlling interests		(0.32)	0.06
			314.92	**292.76**
	Other Comprehensive income attributable to			
	Owners of the company		(15.83)	(18.46)
	Non-controlling interests		-	-
			(15.83)	**(18.46)**
	Total Comprehensive income attributable to			
	Owners of the company		299.41	274.23
	Non-controlling interests		(0.32)	0.06
			299.09	**274.29**
XII	Earnings per Equity Share	28		
	(1) Basic		1.57	2.37
	(2) Diluted		1.57	2.37

Significant Accounting Policies
See accompanying Notes to the Consolidated Financial Statements **1-46**
As per our Attached report of even date

For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

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

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOGA8958
Place: Nagpur
Date: 30/05/2024

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai
Date: 30/05/2024

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED CONSOLIDATED CASH FLOW STATEMENT

All Amount in INR Lakhs

	Particulars	As at 31st March 2024	As at 31st March 2023
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before Tax	452.06	310.72
	Adjustment for:		
	Depreciation and Amortization Expense	58.65	33.19
	Finance cost	532.81	597.31
	Allowance for Doubtful Debts	7.48	671.32
	Profit on sale of Property, Plant & Equipment	-	(17.13)
	Re-measurement (Gain)/Loss on Defined Benefit Plan	(21.15)	(24.67)
	Interest Income on Fixed Deposit and Income Tax Refund	(55.39)	(39.44)
	Operating Profit before Working Capital changes	**974.46**	**1,531.30**
	Adjustment for:		
	(Increase)/decrease in Trade Receivables	(740.83)	(218.20)
	(Increase)/decrease in Other Current Financial Assets	1,904.61	(1,904.61)
	(Increase)/decrease in Other Non-Current Financial Assets	7.04	188.35
	(Increase)/decrease in Other Current Assets	(728.18)	(976.98)
	(Increase)/decrease in Inventories	(16.81)	0.09
	Increase/(decrease) in Trade-Payable	(227.75)	(2.14)
	Increase/(decrease) in Other Current Financial Liability	109.17	248.83
	Increase/(decrease) in Non Current Liability	2.64	16.32
	Increase/(decrease) in Provision	(257.71)	8.52
	Increase/(decrease) in Non-Current Liabilitty	(347.17)	(311.02)
	Increase/(decrease) in Other Current Liabilitty	52.95	(126.75)
	Cash Generated/Used from Operations	**732.42**	**(1,546.28)**
	Direct Taxes	15.70	(86.41)
	Net Cash from Operating Activities (A)	**748.13**	**(1,632.69)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment	(228.58)	(7.81)
	Sale of Property, Plant & Equipment	-	49.38
	Fixed Deposits placed/matured/realised (Net)	(32.71)	(102.00)
	Interest Received	55.39	39.44
	Net Cash used in Investing Activities (B)	**(205.90)**	**(20.99)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest Expenses	(532.81)	(597.31)
	Proceeds from Rights Issue/ NCI/Shareholders	39.72	2,404.62
	Payment For share issue related costs	(3.19)	(194.46)
		-	-
	Net Cash from Financing Activities (C)	**(496.28)**	**1,612.85**
	Net Changes in Cash and Cash Equivalents (A+B+C)	**45.94**	**(40.82)**
	Opening Balance of Cash and Cash Equivalents	63.55	104.37
	Closing Balance of Cash and Cash Equivalents	**109.49**	**63.55**

Notes:-

1 The above Standalone Cash Flow Statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flows.

2 Cash and Cash Equivalents at the year end comprises

Cash on Hand	76.33	54.47
In Bank Account	33.16	9.08
	109.49	**63.55**

As per our Attached report of even date
For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOGA8958
Place: Nagpur
Date: 30/05/2024

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

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai
Date: 30/05/2024

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A Equity Share Capital **All Amount in INR Lakhs**

Balance at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year*	Balance as at March 31, 2024
2,004.15	-	2,004.15	-	2,004.15

Balance at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
1,002.23	-	1,002.23	1,001.92	2,004.15

B Other Equity **All Amount in INR Lakhs**

Particulars	Reserve and Surplus			Items of other comprehensive income	Total Other Equity
	Securities Premium	Retained Earnings	Share Issue expenses	Remeasurements of defined benefit Plans	
Opening Balance as at 31st March 2022	**642.43**	**239.87**	**-**	**(14.79)**	**867.51**
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2022	**642.43**	**239.87**	**-**	**(14.79)**	**867.51**
Profit /(Loss) for the year	-	292.69	-	-	292.69
Other Comprehensive income /(losses)	-	-	-	(18.46)	(18.46)
Total Comprehensive Income for the Year	**-**	**292.69**	**-**	**(18.46)**	**274.23**
Add : Issue of shares	1,402.69	-	(194.46)	-	1,208.23
Less: Share issue expense	(194.46)	-	194.46	-	-
Deferred tax on share issue expense	34.00	-	-	-	34.00
Changes in the controlling stake of the subsidiary	-	-	-	-	
Closing Balance as at 31st March 2023	**1,884.67**	**532.57**	**-**	**(33.25)**	**2,383.98**
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2023	**1,884.67**	**532.57**	**-**	**(33.25)**	**2,383.98**
Profit /(Loss) for the year	-	315.23	-	-	315.23
Other Comprehensive income /(losses)	-	-	-	(15.83)	(15.83)
Total Comprehensive Income for the Year	**-**	**315.23**	**-**	**(15.83)**	**299.41**
Add : Issue of shares	-	-	(3.19)	-	(3.19)
Less: Share issue expense	(3.19)	-	3.19	-	-
Deferred tax on share issue expense	(14.12)	-	-	-	(14.12)
Changes in the controlling stake of the subsidiary		-	-	-	
Closing Balance as at 31st March 2024	**1,867.35**	**847.80**	**-**	**(49.08)**	**2,666.08**

As per our Attached report of even date

For GTA & CO LLP
Chartered Accountants
Firm Registration No.: (105482W/W100817)

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

Gaurav Saboo
Partner
M. No. 149116
UDIN : 24149116BKJOGA8958
Place: Nagpur
Date: 30/05/2024

Ravindra Hegde
Managing Director
DIN No. - 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN No. - 01829352

Akash Bate
Company Secretary
Place: Mumbai

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

Description	Furniture & Fixture	Computers	Equipments *	Motor Vehicles	Plant & Machinery *	Total	Intangible Assets
Gross Carrying Value as at 31st March 2022	**7.74**	**14.05**	**6.23**	**129.09**	**329.22**	**486.32**	**5.11**
Additions	0.24	0.87	0.23	-	0.82	2.16	5.65
Disposals	-	-	-	30.90	4.58	35.47	-
Gross Carrying Value as at 31st March 2023	**7.98**	**14.92**	**6.45**	**98.19**	**325.46**	**453.01**	**10.76**
Additions	102.36	23.72	86.69	-	15.81	228.58	-
Disposals	-	-	-	-	-	-	-
Gross Carrying Value as at 31st March 2024	**110.34**	**38.64**	**93.14**	**98.19**	**341.27**	**681.59**	**10.76**
Accumulated Depreciation							
Balance as at 31st March 2022	**6.75**	**10.72**	**4.58**	**81.19**	**236.93**	**340.17**	**1.45**
Additions	0.26	1.40	0.33	8.54	16.03	26.56	3.78
Disposal	-	-	-	3.23	0.01	3.24	-
Balance as at 31st March 2023	**7.01**	**12.11**	**4.91**	**86.50**	**252.94**	**363.48**	**5.22**
Additions	**18.09**	**2.89**	**14.25**	**3.66**	**13.51**	**52.40**	**3.51**
Disposal	-	-	-	-	-	-	
Balance as at 31st March 2024	**25.10**	**15.01**	**19.16**	**90.16**	**266.46**	**415.89**	**8.73**
Net Carrying Value							
As at 31st March 2023	**0.97**	**2.80**	**1.54**	**11.69**	**72.52**	**89.52**	**5.53**
As at 31st March 2024	**85.24**	**23.63**	**73.98**	**8.03**	**74.82**	**265.70**	**2.03**

* Registered Equitable Mortgage and First and exclusive charge and security by way of hypothecation of machineries for Apna Sahakari Bank Ltd Loan Includes office Equipments
The Group neither has any Benami property nor any proceeding has been initiated or pending against the Group during the year ended March 31st, 2024 and March 31, 2023 for holding any benami property
All the property, plant and equipment, including title deeds of immovable property(classified as investment property) are held in the name of the company.

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

All Amount in INR Lakhs

3(a)	**INVESTMENT PROPERTIES**	**As at 31st March 2024**	**As at 31st March, 2023**
	Gross Carrying Value	99.63	99.63
	Accumulated depreciation	46.24	43.50
	Net Carrying Value	**53.39**	**56.13**

ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTIES	**As at 31st March 2024**	**As at 31st March, 2023**
Accumulated depreciation at the beginning of the year	43.50	40.62
Addition	2.74	2.88
Accumulated depreciation at the end of the year	**46.24**	**43.50**

i) Amount recognised in profit and loss for investment properties	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Rental Income	9.73	8.65
Direct operating expenses from property that generated Rental Income	1.01	1.43
Direct operating expenses from property that didn't generated Rental Income	-	-
Profit from investment properties before depreciation	**8.71**	**7.22**
Depreciation	2.74	2.88
Profit from investment properties	**5.97**	**4.34**

ii) Contractual obligations
The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end

iii) Leasing arrangements
Investment property is leased out to one tenant under operating leases.

iv) Fair Value	**As at 31st March, 2024**	**As at 31st March, 2023**
Investment Property	231.14	231.14

Estimation of Fair Value
The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable and non-cancellable leases, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location on the basis of stamp duty reckoner. There is no involvement of independent and professional valuers in the determination of fair value.

4	**INVESTMENTS**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Investment (valued at cost unless stated otherwise)		
	In Equity instruments of Other Companies		
	Unquoted, Fully Paid up		
	Shares in Apna Sahakari Bank	5.50	5.50
	(22000 Equity Shares of Rs.25/- each fully paid up)	-	
	Total	**5.50**	**5.50**

Note: An equity instrument represents contract that evidences a residual interest in the assets of an entity after deducting all its liabilities and includes partnership firm.

5	**OTHER FINANCIAL ASSETS**	**As at 31st March, 2024**	**As at 31st March, 2023**
	(Unsecured, considered good, unless stated otherwise)		
	Security Deposits & Retension Money	948.89	963.56
	Service tax Appeal Deposit	101.93	101.93
	GST Appeal deposit	7.63	0.00
	Total	**1,058.45**	**1,065.49**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

6	**DEFERRED TAX ASSETS (NET)**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Deferred Tax Assets / (Liabilities) in relation to		
	Deferred Tax Assets		
	Interest / Processing Fees Ind As Adjustments	5.35	5.01
	Provision for Employee Benefits	11.71	9.52
	Allowance for Bad & Doubtful Debts	300.50	452.76
	Share Issue expenses/IPO/ Rights issue Expenses	30.17	44.30
	Property, Plant & Equipment		
	Sub-Total (A)	**347.73**	**511.59**
	Deferred Tax Liabilities		
	Property, Plant & Equipment	1.68	3.89
	Interest / Processing Fees Ind As Adjustments		
	Sub-Total (B)	**1.68**	**3.89**
	Deferred Tax Assets / (Liability) (Net) (A-B)	**346.05**	**507.69**

The movement on the Deferred Tax Asset is as follows:

Particluars	**As at 31st March, 2024**	**As at 31st March, 2023**
Balance at the Opening of Reporting period - Deferred Tax Asset	**507.69**	**399.03**
Allowance for Bad & Doubtful Debts	(152.26)	63.73
Property, Plant & Equipment	2.21	0.91
Provision for Employee Benefits	2.19	5.13
Interest / Processing Fees Ind As Adjustments	0.34	4.89
Recognised in Profit & Loss A/c	**(147.51)**	**74.66**
Adjusted against share issue expenses/IPO expenses in equity	**-**	
Share issue expenses/IPO expenses	(14.13)	34.00
Total Movement of Deferred Tax Asset	**(161.64)**	**108.66**
Charge to Other Comprehensive Income	**-**	
Remeasurement of Defined Benefit Plans	-	
Balance at the Closing of Reporting period- Deferred Tax Asset	**346.05**	**507.69**

7	**Inventories**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Raw Materials	-	-
	Work-in-progress	-	-
	Finished Goods	-	-
	Traded Goods	-	-
	Stores & spares	18.38	1.57
	Total Inventories	**18.38**	**1.57**

Inventories are carried at lower of cost and net realisable value.

8	**TRADE RECEIVABLES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Non Current Debtors	-	
	- Unsecured	-	
	Considered Good	969.38	1,571.93
	Considered Doubtful	-	
		-	
		-	
	- Less:- Allowance for Bad & Doubtful Debts	969.38	1,571.93
	Total Non Current debtors	**-**	**-**

Current Debtors	**As at 31st March 2024**	**As at 31st March 2024**
- Unsecured		
Considered Good	2,671.62	1,948.18
Considered Doubtful	-	-
	-	-
	-	-
- Less:- Allowance for Bad & Doubtful Debts	18.60	28.50
Total Current debtors	**2,653.02**	**1,919.68**

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2024 is as follows

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade receivables - Billed						
Undisputed trade receivables – considered good	-	-	-	-	-	
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	969.38	969.38
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	

	-	-	-	-	969.38	969.38
Less: Allowance for doubtful trade receivables - Billed						969.38
Trade receivables - Unbilled						-
				Total		-

Ageing for trade receivables - billed current outstanding as at March 31, 2024 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Trade receivables - Billed						
Undisputed trade receivables – considered good	1,729.15	131.92	296.36	399.94	114.25	2,671.62
Undisputed trade receivables – which have significant increase in credit risk					-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	-	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-		2,671.62
Less: Allowance for doubtful trade receivables - Billed						(18.60)
						2,653.02
Trade receivables - Unbilled						

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Trade receivables - Billed						
Undisputed trade receivables – considered good	-	-	-	-	-	
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	1,571.93	1,571.93
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-	1,571.93	1,571.93
Less: Allowance for doubtful trade receivables - Billed						1,571.93
Trade receivables - Unbilled						-
				Total		-

Ageing for trade receivables - billed current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Trade receivables - Billed	1,167.72	382.18	289.42	72.32	36.54	1,948.18
Undisputed trade receivables – considered good						
Undisputed trade receivables – which have significant increase in credit risk					-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	-	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	
	-	-	-	-		
Less: Allowance for doubtful trade receivables - Billed						28.50
Trade receivables - Unbilled						-
				Total		**1,919.68**

9	**CASH AND BANK BALANCES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Cash and cash equivalents		
	Balances with Banks	33.16	9.08
	Cash on hand	76.33	54.47
		109.49	**63.55**
	Bank Balances other than above		
	Fixed Deposit - Margin in lieu of charge creation	1,006.29	973.59
	Unpaid dividend	0.11	0.11
	Escrow Account- Right Issue	-	1,904.61
		1,006.40	**2,878.30**
	Total	**1,115.89**	**2,941.85**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

10	**CURRENT TAX ASSETS (NET)**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Advance Income Tax (net of Provisions)	622.07	455.75
	Total	**622.07**	**455.75**

11	**OTHER CURRENT ASSETS**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Advances to Staff	0.08	0.40
	(Unsecured Considered Good)		
	Loans & Advances	5.22	5.27
	Advances against site/Expenses	502.82	49.92
	Prepaid expenses	39.73	7.16
	Contract Assets	3,982.60	3,905.84
	Total	**4,530.45**	**3,968.58**

Changes in Contract Assets are as follows:	**As at 31st March, 2024**	**As at 31st March, 2023**
Contract Assets at the beginning of the year	4,104.37	3,142.37
Revenue Recognised during the year	11,211.39	9,024.82
Invoices raised during the year	(11,127.15)	(8,062.82)
Total	**4,188.61**	**4,104.37**
Provision for contract assets	(206.01)	(198.53)
Contract Assets at the end of the year	**3,982.60**	**3,905.84**
Total		

12	**SHARE CAPITAL**	**As at 31st March, 2024**	**As at 31st March, 2023**
	(a) Authorised		
	2,50,00,000 Equity Shares of Rs. 10 each	2,500.00	2,100.00
	(Previous year: 2,10,00,000 Equity Shares of Rs. 10 each)		
	Total	2,500.00	2,100.00
	(b) Issued, Subscribed and Paid Up		
	2,00,41,499 Equity Shares of Rs. 10 each	2,004.15	2,004.15
	Total	2,004.15	2,004.15
	(c) Reconciliation of the Number of Equity Shares		
	Shares outstanding at the beginning of the year	200.41	100.22
	Shares issued during the year	-	100.19
	Shares bought back during the year		
	Shares outstanding at the Closing of the year	200.41	200.41

(d) Terms and Rights attached to Equity Shareholders

The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity share is entitled to one vote per equity share. The dividend if recommended by the Board of Directors is approved by the members at the ensuing Annual General Meeting.In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets, if any in proportion to the number of shares held at the time of commencement of winding-up. The share holders have all other rights as available to the Equity shareholders as per the provisions of the Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(e) Shareholders holding more than 5% Equity Shares

	As at 31st March 2024	**As at 31st March, 2023**
Equity Shares of Rs.10 each fully paid held by-	**No. of shares (In Lakhs)**	**No. of shares (In Lakhs)**
(i) Ravindra Malinga Hegde	65.25	64.79
(ii) Sujata Ravindra Hegde	10.48	10.32

13	**OTHER EQUITY**	**As at 31st March, 2024**	**As at 31st March, 2023**
	(a) Security Premium		
	Opening Balance	1,884.67	642.43
	add : issue of shares	-	1,402.69
	less : Bonus issue	-	-
	less: Share issue expenses net of Tax benefit	(17.32)	(160.45)
	Closing balance	**1,867.35**	**1,884.67**
	(b) Retained Earnings		
	Balance at the beginning of the Financial Year	532.57	239.87
	Adjustment of prior period expense	-	-
	Restated balance at the beginning of the Financial Year	**532.57**	**239.87**
	Profit during the year transferred	315.23	292.68
		-	-
		-	-
	Less: Dividend Paid	-	-
	Tax on Dividend	-	-
	Utilisation for Bonus Issue	-	-
	Balance at the end of the Financial Year	**847.81**	**532.56**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Total Reserve & Surplus (a)+(b)	2,715.15	2,417.23
(c) Items of Other Comprehensive income		
Remeasurements of defined benefit plans		
Opening Balance	(33.25)	(14.79)
Add: Current year Income/(expense)	(15.83)	(18.46)
Closing balance	**(49.08)**	**(33.25)**
Total Other Equity (a)+(b)+(c)	**2,666.08**	**2,383.98**

13(a) **Non-Controlling Interest**	**As at 31st March, 2024**	**As at 31st March, 2023**
Opening balance	0.07	-
Profit /(Loss) for the period	(0.32)	0.06
Changes in controlling interest	39.72	0.01
	39.47	**0.07**

14 **Non-Current Liabilities**	**As at 31st March, 2024**	**As at 31st March, 2023**
Financial Liabilities		
Borrowings		
1-Secured loans	807.50	1,154.48
2-Unsecured loans	9.28	9.46
TOTAL	**816.78**	**1,163.94**

Secured Loans are secured against property, plant and Equipments and Fixed Deposits (Refer Note 28 of Consolidated Financial Statements)

15 **OTHER NON-CURRENT LIABILITIES**	**As at 31st March, 2024**	**As at 31st March, 2023**
Provision for gratuity- Non Current	24.80	22.17
Total	**24.80**	**22.17**

16 **Current Borrowings**	**As at 31st March, 2024**	**As at 31st March, 2023**
Working capital		
from banks & financial institutions-Secured		
Apna Sahakari Bank Ltd	1,972.47	1,916.80
Deutsche Bank	-	-
Bank of India	741.76	687.16
State Bank of India	585.06	563.49
From Related Parties	-	-
Ravindra Hegde	123.40	155.89
Sujata Hegde	8.58	43.73
KHFM HR Consultancy Private Limited	0.10	0.25
Ravikumar Jugalkishor Jaiswal	134.44	127.53
Shyam Shankarrao Deshmukh	1.00	1.01
Lalita Jagdish Jaiswal	18.00	-
Rajesh Khanderao Deshmukh	23.00	-
	3,607.81	**3,495.86**

Working Capital Loans are secured against current assets(book debts) property, plant and equipments,fixed deposits and personal guarantee of directors. (Refer Note 28 of Consolidated Financial statem

17 **TRADE PAYABLES**	**As at 31st March, 2024**	**As at 31st March, 2023**
Financial Liabilities carried at Amortised Cost		
Due to Micro, Small and Medium Enterprises	12.94	17.43
Others	-	
(i) Related Parties	21.19	1.99
(ii) Other Parties	248.52	490.98
Total	**282.65**	**510.40**

Ageing for trade payables outstanding as at March 31, 2024 is as follows

Particulars	**Outstanding for following periods from due date of payment**					
	Not Due	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade payables						
MSME*	4.78	8.17	-	-	-	12.95
Others	-	243.48	19.60	5.86	0.76	269.70
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	4.78	**251.65**	**19.60**	**5.86**	**0.76**	**282.65**

Accrued expenses

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Ageing for trade payables outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	16.74	8.64	8.79	-		34.17
Others	-	306.68	162.60	6.96		476.23
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	16.74	**315.32**	**171.39**	**6.96**	**-**	**510.40**

Accrued expenses

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

18	**OTHER FINANCIAL LIABILITIES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Financial Liabilities carried at Amortised Cost		
	Current Maturity of long term debt	356.70	303.84
	Unclaimed Dividend	0.11	0.11
	Subcontractor deposits	187.07	242.70
	Deposit premises	4.50	4.50
	Total	**548.38**	**551.15**

19	**PROVISIONS (CURRENT)**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Provision for Gratuity	21.72	15.64
	Provision for Employee benefit expenses	384.30	647.36
	Provision for Audit fees	7.60	8.25
	Provision for other expense	-	0.08
	Total	**413.62**	**671.33**

20	**OTHER CURRENT LIABILITIES**	**As at 31st March, 2024**	**As at 31st March, 2023**
	Statutory dues	267.20	214.24
	Total	**267.20**	**214.24**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

All Amount in INR Lakhs

21	**REVENUE FROM OPERATIONS**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Contracted Price (Services)	11,211.39	9,024.82
Less:	Reduction towards variable consideration components	1.91	1.33
	Total	**11,209.48**	**9,023.49**

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

The Company has applied the accounting policy and presentation as required by Ind As 115- Revenue from contracts with customers and recognized revenue when a performance obligation is satisfied by transferring a promised service to the customer and accordingly the company has presented the contract in the balance sheet as contract asset for service rendered remaining unbilled. Contract revenue recognised is subject to change and is affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The Company classifies the right to consideration in exchange for deliverables as either as a receivables or as unbilled revenue if revenue is accrued. Receivables and unbilled revenue are a right to consideration that is unconditional upon passage of time. Receivables is presented net of impairment in the Balance Sheet.

22	**OTHER INCOME**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Rental Income	9.73	8.65
	Profit on Sale of Property, Plant & Equipments	-	17.13
	Interest on Bank Fixed Deposits	55.39	39.44
	Remission of Liability	2.21	16.05
	Total	**67.33**	**81.28**

23	**EMPLOYEE BENEFITS EXPENSES**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Salaries, Wages and Bonus	4,695.62	3,627.30
	Contribution to Provident Fund and Other funds	572.09	332.37
	Staff Welfare expenses	13.71	4.66
	Total	**5,281.42**	**3,964.32**

24	**FINANCE COST**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Interest Expenses for financial liabilities measured at amortised cost	532.81	597.32
	Total	**532.81**	**597.32**

25	**DEPRECIATION**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	Depreciation on property, plant and equipment	52.40	26.54
	Depreciation on investment property	2.74	2.87
	Amortisation of intangible assets	3.51	3.78
	Amortisation of leasehold land	-	-
	Total	**58.65**	**33.19**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

26	OTHER EXPENSES	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	Direct Expenses		
	Site Expenses	1,245.58	718.11
	Labour Charges	2,706.21	1,852.71
	Consumption of stores, spares & Consumables	386.01	186.13
	Uniform Expenses	16.86	3.34
	Blocked credit	31.79	16.47
	Deductions on Service Dues	149.51	215.41
	Indirect Expenses		
	Advertising and domain expenses	12.23	5.94
	Audit Fees	10.33	27.62
	Computer, Software & Printer Expenses	2.99	3.32
	Commission	1.93	18.75
	Donation	1.03	0.47
	Insurance	45.31	43.04
	Miscellaneous Expenses	13.39	6.20
	Office Expenses	9.73	7.92
	Power & Fuel	20.28	1.66
	Professional tax	0.08	0.08
	Legal & Professional Charges	33.64	135.27
	Licence fees	0.15	0.61
	Listing Fees	-	0.25
	Interest late fees and penalty	14.07	11.02
	Printing & Stationery	2.16	1.25
	Rent Including Lease Rentals	48.25	27.96
	Repair & Maintenance	15.99	26.95
	Bad Debts	-	-
	Allowance for Bad & Doubtful Debts/ Contract Assets	7.48	671.32
	Tender realted expense	27.70	7.30
	Telephone Charges	2.67	1.53
	Transport Charges	16.47	21.93
	Travelling and Conveyance	130.03	186.65
	Total	**4,951.87**	**4,199.22**

Auditor's remuneration		
Auditor's remuneration consists of the following		
Statutory Audit Fees	7.60	8.25
Statutory audit fees paid for previous financial year	**-**	8.00
Tax Audit Fees	0.50	0.13
Internal Audit fees	0.15	0.15
Certifications and other review services	1.03	10.64
Stock Audit fees	**1.05**	0.45
	10.33	**27.62**

Certification and other review services primarily includes certification fees paid to auditors . Statute and regulation permit auditors to certify tender related documents, and related review services among others.

27	**INCOME TAX**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
	(a) Income Tax recognized in Statement of Profit & Loss		
	Current Tax Expenses	(74.16)	11.23
	Tax of the Earlier Years	63.79	81.39
	Deferred Tax Expenses	147.51	(74.65)
	Total Tax Expenses recognized in Statement of Profit & Loss	**137.14**	**17.97**
	(b)Tax expenses related to Items recognized in Statement of Other Comprehensive Income		
	Remeasurement of Defined Benefit Plans	(5.32)	(6.21)
	Income tax Charged to Statement of Other Comprehensive Income	(5.32)	(6.21)
	(c) Effective Tax Rate		
	Consolidated Profit Before Tax	452.06	310.72
	Total Tax Expenses/(benefits)	**68.02**	**(5.85)**
	Effective Consolidated Tax Rate	**15.05%**	**-1.88%**

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note No 28

All Amount in INR Lakhs

A. Working Capital Facilities & Term Loans from Banks

Name of Lender	Purpose	Sanction Amount(in lakhs)	Rate of interest	Securities offered	Re-payment	Moratorium	As at	As at
Secured Borrowings							**31-03-2024**	**31-03-2023**
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	1895.00	11% p.a.	**Primary Security :** Hypothecation of Stock & Book Debts **Collateral Security :** As per Note 1	On Demand	NA	1,927.24	1,916.80
State Bank of India	Working Capital (Cash Credit)	585.00	8.15%	As per Note 5	On Demand	NA	585.06	563.49
Bank of India CC	Working Capital (Cash Credit)	752.00	11.25%	As per Note 4	On Demand	NA	741.75	687.16
Apna Sahakari Bank Ltd.	Business Loan (Loan against book debts and property)	300.00	11.50% p.a.	**Security :** As per note no 3.	120 EMIs of 4.26 lacs each	NA	154.95	187.27
	Business Loan (Loan Against Property)	100.00	12% p.a.	**Security :** As per note no 2.	120 EMIs of Rs. 1.45 Lacs each	Nil	23.66	37.69
	Loan against deposit	40.00	7.5% p.a	Secured against Fixed deposit of Rs 45.01 Lakhs	EMIs of Rs 0.24 lacs each	Nil	-	35.76
	Temporary overdraft	45.20	8.30%	-	Monthly interest remittance	Nil	45.22	-
	Temporary overdraft	25.00	6.45%	-	Repaid on 05.04.2023	Nil	-	25.13
	Business Loan (Loan against book debts and property)	550.00	11% p.a.	**Security :** As per note no 3.	84 EMIs of Rs 9.52 lacs each	Nil	373.56	442.25
Bank of India	Business Loan (Loan Against Property)	185.00	8.85% p.a.	As per Note 4	84 EMIs of Rs 2.20 lacs each	Nil	53.16	68.13
	Business Loan (Loan Against Property)	53.00	8.85% p.a.	As per Note 4	84 EMIs of Rs 0.63 lacs each	Nil	32.17	40.77
	Business Loan (Loan Against Property)	48.00	8.10% p.a	As per Note 4	36 EMIs of Rs 1.33 lacs each	Nil	5.33	21.77
	Business Loan (Loan Against Property)	500.00	9.40% p.a.	As per Note 4	Moratorium for First 24 Month and next 36 month EMI of RS 15.55 lacs each	Yes	452.70	500.00

Notes

Apna Sahakari Bank Ltd. - Cash Credit Rs. 1895.00 Lacs

1. Collateral Security : Shop No 1 & 3, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Shop No 2, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 & Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. Flat No. 18, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-400060 held in the name of Mrs Sujata Hegde

Apna Sahakari Bank Ltd. – Loan against Property Rs. 100.00 Lacs & 50.00 Lacs

2. Security : Shop No 1 & 3, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Shop No 2, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 & Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. Flat No. 18, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-400060 held in the name of Mrs Sujata Hegde & FDR of Rs 210 lakhs.

Apna Sahakari Bank Ltd. – Loan against Property Rs. 300.00 Lacs & 550 Lacs

3. Security: Shop No 1 & 3, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Shop No 2, Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 & Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. Flat No. 18, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-400060 held in the name of Mrs Sujata Hegde & FDR of Rs 210 lakhs.

Bank Of India

4 Security: First Pari Passu Charge on Book debts with Apna Sahakari Bank- Apna Sahkari Bank has limits of Rs. 15.00 crores and BG Limit of Rs. 14.00 crores and accordingly BOI share is 18.67 % of Bookdebts. Second Pari-Passu charge for GECL Collateral facility on Book Debts with Apna Sahakari Bank. Eqm of Flat No. 2504, 25th Floor, F Wing, Building No. 1, Oberoi Spleandur, JVLR, Jogeshwari (E), Mumbai -60, EQM of Flat No. 17, 1st Flr, D3, Green Field Complex, Rocks End CHS, Jogeshwari, Mumbai-60

State Bank of India

5.Security: First paripassu charge basis to secure our funded and non-funded Working Capital credit facilities with Apna Sahakari Bank Ltd and Bank of India on Current Assets viz. Stocks of raw material, stock in process, finished goods, consumable stores & spares and book debts, bills whether documentary or clean, outstanding monies, receivables of the company, both present and future. Equitable mortgage of commercial building: 3rd Floor, Antariksh, Village Marol, Andheri, Mumbai, Maharashtra-400059

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

All Amount in INR Lakhs

29	EARNING PER SHARE	Year ended 31st March, 2024	Year ended 31st March, 2023
	(a) Net Profit for Basic & diluted EPS	315.24	292.69
	(b) Number of Equity Shares at the beginning of the period (in Lakhs)	200.41	100.22
	(c) Total Number of Shares outstanding at the end of the year (in Lakhs)	200.41	200.41
	(d) Adjusted Weighted Average number of Equity Shares outstanding (in Lakhs)	200.41	123.74
	Earning Per Share - Basic	**1.57**	**2.37**
	Earning per share - Diluted	**1.57**	**2.37**
	Face value per share (Rs.)	**10.00**	**10.00**

30	CONTINGENT LIABILITIES & COMMITMENTS	As at 31st March, 2024	As at 31st March, 2023
	(a) Claims against the company not acknowledged as debt:		
	- Service Tax	1,389.40	1,389.40
	- ESIC	15.07	-
	- Goods and Service Tax	179.49	-
	Considering the facts of the case, the company and the tax advisors believe that the final outcome should be in favour of the company.		
	(b) Guarantees		
	(i) Bank Guarantees	935.93	942.39

31	THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006	As at 31st March, 2024	As at 31st March, 2023
	The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:		
	(a) Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March, 2024	12.94	17.43
	(b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	
	(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the	-	
	(d) the amount of interest accrued and remaining unpaid	-	
	(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	
	(f) the amount of provision made for payment to MSME Enterprises	-	

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NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

.

32 RELATED PARTY DISCLOSURES

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

(a) List of Related Parties

(i) Companies/Firms under Common Management

(a) Sujata Hegde (Prop Palemer Enterprises)
(b) Ravindra Hegde (Prop KHFM Pest Control)
(c) KHFM HR Consultancy Private limited

(ii) Key Managerial Personnel	**Designation**
(a) Ravindra Hegde	Managing Director
(b) Sujata Hegde	Director & Chief Financial Officer
(c) Saurav Hegde	Director
(d) Rahul Pathak	Company Secretary & Chief Financial Officer (Resigned)
(e) Akash Bate	Company Secretary
(f) Girish Ramnani	Non Executive & Independent Director
(g) Brahm Pal Singh	Non Executive & Independent Director (Resiged)
(h) Kapildeo Agarwal	Non Executive & Independent Director
(i) Prabhakar Patil	Non Executive & Independent Director

(b) The Disclosures related to Subsidiaries as required by Ind AS 112 disclosures of Interests in other entities are as under:

Name of the Subidiaries	PAN of the entity	Country of Incorporation/ Formation	Business Activity	Percentage of Control as at 31st March, 2024
KHFM Infra Projects Private Limited	AAJCK4734B (Company)	India	Facility Management Services and Infrastructure services	99%
KHFM & DP Jain Company	ABAFK1790L (Partnership Firm)	India	Facility Management Services and Gardening	99%

(c) (i)Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements (As at 31st March 2024) **All Amount in INR Lakhs**

Name of entity	Net Assets		Share in profit or loss		Share in other comprehensive		Share in total comprehensive income	
	as % age of consolidated net asset	Amount	as % age of consolidated profit or loss	Amount	as % age of consolidated other comprehensive incom	Amount	as % age of consolidated total comprehensive income	Amount
Parent-								
KHFM Hospitality and Facility Management Services Limited	99.67%	4,694.25	110.03%	346.46	100.00%	(15.83)	110.55%	330.65
Subsidiaries								
KHFM Infra Projects Private Limited	0.34%	16.21	2.86%	9.02	-	-	3.02%	9.02
KHFM & DP Jain Company	-0.02%	-0.76	-12.89%	-40.58	-	-	-13.57%	-40.58
Total	**100.00%**	**4709.70**	**100.00%**	**314.92**	**100.00%**	**(15.83)**	**100.00%**	**299.09**

(c) (ii)Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements (As at 31st March 2023) **All Amount in INR Lakhs**

Name of entity	Net Assets		Share in profit or loss		Share in other comprehensive		Share in total comprehensive income	
	as % age of consolidated net asset	Amount	as % age of consolidated profit or loss	Amount	as % age of consolidated other comprehensive incom	Amount	as % age of consolidated total comprehensive income	Amount
Parent-								
KHFM Hospitality and Facility Management Services Limited	99.83%	4,380.91	97.88%	286.56	100.00%	(18.46)	97.74%	268.10
Subsidiaries								
KHFM Infra Projects Private Limited	0.16%	7.19	2.11%	6.19	-	-	2.26%	6.19
KHFM & DP Jain Company	0.002%	0.10		-	-	-		-
Total	**100.00%**	**4388.20**	**100.00%**	**292.76**	**100.00%**	**(18.46)**	**100.00%**	**274.29**

(d)The table below describes the compensation to key managerial personnel:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Director Remuneration	40.12	27.40
Sitting Fees	1.87	1.84
Partner's Remuneration	-	-
Other long term benefit	-	-
Total	**41.99**	**29.24**

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NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

33 Summarised Financial information for Subsidiaries

The table below provides summarised financial information for those subsidiaries that are material to the group.

All Amount in INR Lakhs

Summarised Balance Sheet	M/s KHFM INFRA PROJECTS PRIVATE LIMITED	M/s KHFM & DP JAIN COMPANY	M/s KHFM INFRA PROJECTS PRIVATE LIMITED	M/s KHFM & DP JAIN COMPANY
	As At 31.03.2024	As At 31.03.2024	As At 31.03.2023	As At 31.03.2023
Non Current Assets	0.94	-	0.42	
Current Assets	224.08	4.35	173.68	0.10
Total Assets	**225.02**	**4.35**	**174.10**	**0.10**
Non Current Liabilities	195.17	-	143.64	
Current Liabilities	13.64	5.11	23.27	
Total Liabilities	**208.81**	**5.11**	**166.91**	**-**
Net Assets	**16.21**	**(0.76)**	**7.19**	**0.10**

Summarised Statement of Profit and Loss	M/s KHFM INFRA PROJECTS PRIVATE LIMITED	M/s KHFM & DP JAIN COMPANY	M/s KHFM INFRA PROJECTS PRIVATE LIMITED	M/s KHFM & DP JAIN COMPANY
	For the period ended on 31.03.2024	For the period ended on 31.03.2024	For the period ended on 31.03.2023	For the period ended on 31.03.2023
Revenue From Operations	464.98	-	133.70	-
Other Income	0.78	-	-	-
Total Revenue	**465.76**	**-**	**133.70**	**-**
Employee Benefit Expense	26.46	12.80	1.00	-
Finance Costs	15.51	9.54	3.19	-
Depreciation and Amortization Expense	0.21	-	0.09	-
Other Expenses	407.04	18.24	120.07	-
Total Expenses	**449.22**	**40.58**	**124.35**	**-**
Tax Expense	**7.52**	-	**3.16**	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**9.02**	**(40.58)**	**6.19**	**-**

34. BUSINESS COMBINATIONS

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries/associate limited liability partnership firms.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognized as capital reserve on common control business combination.

- **Investments In Equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)**
  On initial recognition, the group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. A financial asset is held for trading if, it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

- **Investments In Equity instruments at Fair Value Through Profit & Loss (FVTPL)**
  Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial

recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on Remeasurement Recognised in profit or loss.

35. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

a) Financial Assets carried at Amortized Cost.

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

b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

c) Financial Assets at Fair Value through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit and loss.

d) Financial Liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

e) Dividend and Interest Income from Financial Instruments

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

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

- **The Carrying values of Financial Assets and Liabilities have been given under:**

31st March 2024	**Fair value through Profit and Loss**	**Fair value through Other Comprehensive Income**	**Amortised cost**	**Total**
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-		5.50	5.50
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	-	-
Other Non-Current Financial Assets	-	-	1058.45	1058.45
Current Assets:-				
Cash & Cash equivalents	-	-	109.49	109.49
Bank Balance other than above	-	-	1006.40	1006.40
Trade receivables	-	-	2653.02	2653.02
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-	-	-	-	-
Borrowings	-	-	816.78	816.78
Other financial liabilities				
Current :-	-	-	-	-
Borrowings	-	-	3607.81	3607.81
Trade payables	-	-	282.65	282.65
Other financial liabilities			548.37	548.37

(All Amount in INR Lakhs)

31st March 2023	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortized cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	-	5.50	5.50
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	-	
Other Non-Current Financial Assets	-	-	1065.49	1065.49
Current Assets:-				
Cash & Cash equivalents	-	-	63.55	63.55
Bank Balance other than above			2878.30	2878.30
Trade receivables	-	-	1919.68	1919.68
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-	-	-	-	-
Borrowings	-	-	1163.94	1163.94
Other financial liabilities				
Current :-	-	-	-	-
Borrowings	-	-	3495.86	3495.86
Trade payables	-	-	510.40	510.40
Other financial liabilities			551.15	551.15

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2024 and 31st March, 2023 approximate the Fair Value because of their short-term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant each of year presented.

36. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk.

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

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investments in debt securities, loans given to related parties and project deposits. The carrying amount of financial assets represents the maximum credit exposure.

• Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Group's Credit risk in this respect. The Group's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects that vary in sizes and types with numerous different customer categories in a large number of geographical markets. Based on prior experience and an assessment of the current economic environment, management has recognised appropriate provision for expected credit loss.

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

• Cash and Bank Balances

Credit risk from balances with banks and financial institutions is managed by the Group's Finance department in accordance with the Group's policy. Investments of surplus funds are reviewed and approved by the Group's Board of Directors on an annual basis The Group's maximum exposure to credit risk for the components of the statement of financial position at 31st March 2024 is the carrying amounts.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

• Exposure to Liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2023:

(All Amount in INR Lakhs)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2024. **(All Amount in INR Lakhs)**			
Particulars	**Due within 12 Months**	**Due within 1 to 3 years**	**More than 3 years**
Financial Liabilities Borrowings	356.70	620.89	195.88
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2023.			

Financial Liabilities Borrowings	303.84	644.02	519.92

(c) Market risk

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

37. CAPITAL MANAGEMENT:

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

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

38. EMPLOYEE BENEFITS:

(i) Short term employee benefits

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

(ii)Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows. As per Ind AS 19 , the service cost and the net interest cost would be charged to the Profit & Loss account . Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Group recognizes these remeasurements in the Other Comprehensive Income(OCI). When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

In accordance with Indian law, the Group operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Gratuity benefit liabilities of the

group are funded to an insurance group. The insurance group in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

Funded status of the Plan: **(All Amount in INR Lakhs)**		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Present value of funded obligations	139.43	103.51
Fair value of plan assets	(92.91)	(66.80)
Net Liability (Asset)	46.52	36.71

Profit and loss for the period: **(All Amount in INR Lakhs)**		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Service Cost:		
Current Service Cost	14.54	11.56
Past Service Cost and loss/(gain) on curtailments and settlements	-	-
Net Interest Cost	2.11	0.59
Total included in ''Employee benefit expense"	**16.66**	**12.16**

Other comprehensive Income for the period **(All Amount in INR Lakhs)**		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	-	(4.66)
Due to change in demographic assumption	-	-
Due to experience adjustments	22.87	30.01
Return on plan assets excluding amounts included in interest income	(1.72)	(0.66)
Amounts recognized in Other Comprehensive (Income) / Expense	21.14	24.67

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Defined Benefit Obligation	103.51	81.28
Current service cost	14.54	11.56
Interest cost	5.94	3.21
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions		(4.66)
Due to change in demographic assumption	-	-
Due to experience adjustments	22.87	30.01
Benefits paid from fund	(6.28)	(1.09)
Benefits paid by the company	(1.16)	(16.78)
Closing Defined Benefit Obligation	**139.43**	**103.51**

Reconciliation of Plan assets (All Amount in INR Lakhs)		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Opening value of plan assets	66.80	63.86
Transfer in/(out) plan assets	-	-
Interest Income	3.82	2.61
Return on plan assets excluding amounts included in interest income	1.72	0.66
Contributions by employer	26.84	0.75
Contributions by Employee		-
Benefits paid	(6.28)	(1.09)
Closing value of Plan assets	92.91	66.80
The assumptions used in accounting for the defined benefit plan are set out below:		
Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Discount rate	7.20% p.a	7.20% p.a
Salary Growth Rate	6.60% p.a	6.60% p.a
Withdrawal rates	50.00% p.a at all ages	50.00% p.a at all ages

- In the initial years of incorporation, subsidiary companies have not yet commenced with providing the aforementioned benefits to their employees.

39. SEGMENT REPORTING

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

40. The code on Social security, 2020 relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective and the related rules are published.

41. REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Group has not done revaluation of PPE / Intangible assets.

42. POST REPORTING EVENTS

Apart from issuing shares/warrants on preferential basis; no adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

43. In respect of financial year commencing on 1st April 2023, group has used an accounting software for maintaining its books of accounts which has feature of recording audit trail(edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, audit trail feature during the year was not tempered with.

44. No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Group to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Holding Company have recommended a final dividend of Rs 0.50 per equity share in respect of financial year ended 2023-24 subject to the approval of shareholders at the Annual General Meeting.

46. AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March, 2024 were approved by the Board of Directors on 30th May 2024.

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

As per our report of even date attached

For and on behalf of the Board of

For GTA & CO LLP
Chartered Accountants
Firm Regn No. 105482W/W100817

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Ravindra Hegde
Managing Director
DIN – 01821002

Sujata Hegde
Director & Chief Financial Officer
DIN - 01829352

Gaurav Saboo
Partner
M No. 149116
UDIN : 24149116BKJOGA8958
Place: Nagpur

Date: 30th May 2024

Akash Bate
Company Secretary
Place: Mumbai
Date: 30th May 2024

Appointment of M/s C. C. Talreja & Co as Internal Auditor of the Company for the F.Y. 2024-25

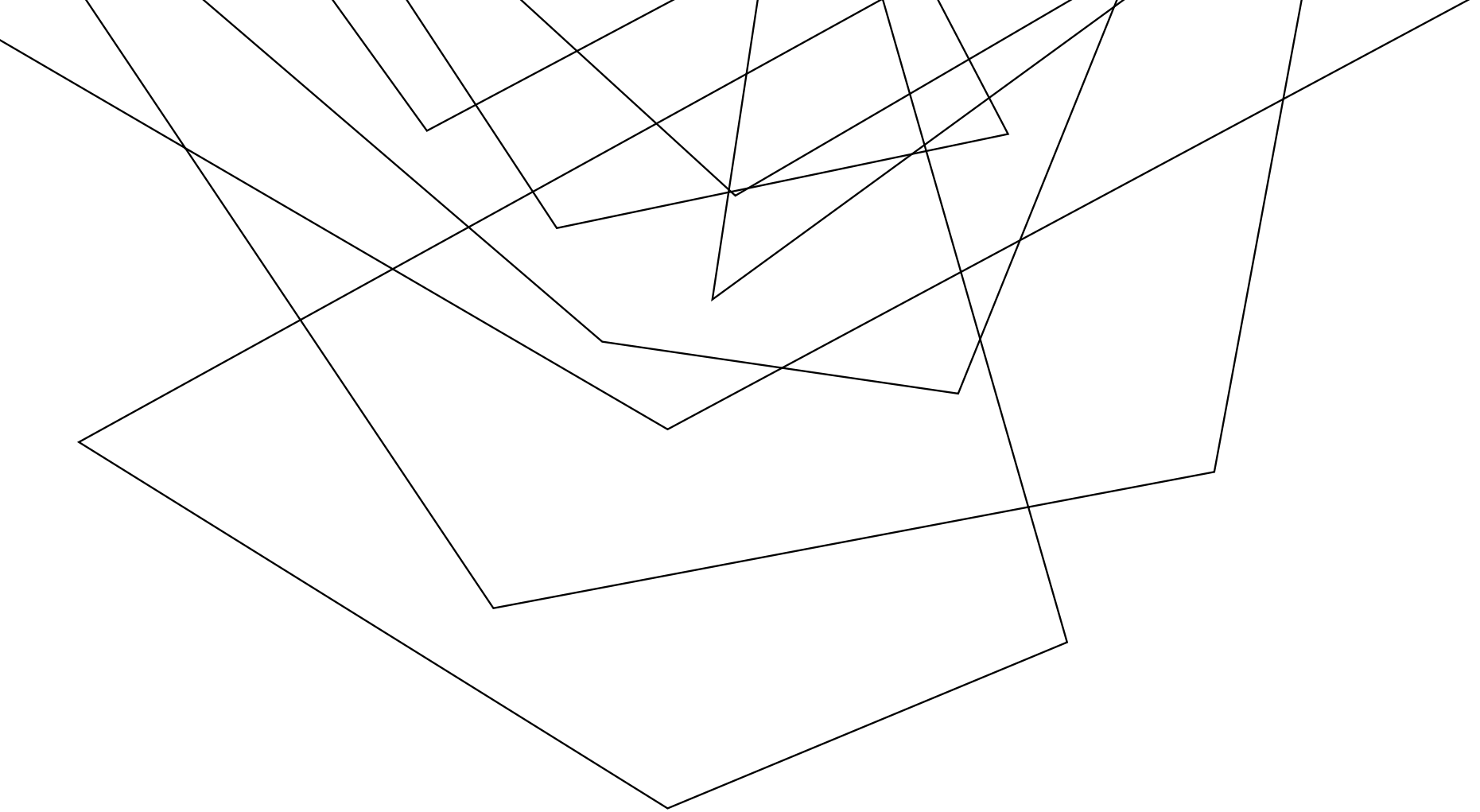
Sr. No.	Particulars	Details
1	**Reason for change viz. appointment, ~~resignation, removal, death~~ or otherwise;**	Appointment
2	**Date of appointment/ ~~cessation~~ (as applicable) & term of appointment;**	6th September, 2024
3	**Brief profile (in case of appointment);**	M/s. C. C. Talreja & Co. have rich experience in the field of Statutory Audit, Internal Audit, Tax Audit and direct and indirect taxation consultancy and system implementation

Appointment of M/s Mishra & Associates as Secretarial Auditor of the Company for the F.Y. 2024-25

Sr. No.	Particulars	Details
1	**Reason for change viz. appointment, ~~resignation, removal, death~~ or otherwise;**	Appointment
2	**Date of appointment~~/ cessation~~ (as applicable) & term of appointment;**	6th September, 2024
3	**Brief profile (in case of appointment);**	Attached

Appointment of M/s YRKDAJ & Associates LLP as Statutory Auditor of the Company for the F.Y. 2024-25

Sr. No.	Particulars	Details
1	**Reason for change viz. appointment, ~~resignation, removal, death~~ or otherwise;**	Appointment
2	**Date of appointment/ ~~cessation~~ (as applicable) & term of appointment;**	6th September, 2024
3	**Brief profile (in case of appointment);**	Attached



C.C. TALREJA & CO.

CHARTERED ACCOUNTANTS

ABOUT US

At C.C. Talreja & Co., We continually seek new and better ways to serve our clients, and aim to anticipate their future needs. We, as a team of energetic and dynamic professionals, provide end-to-end consultancy with respect to the growing needs of businesses. We handle all compliance, including tax, accountancy, and all other types of audits.

SERVICES

SUPPORT

We provide a simplified solution towards all areas of business to our clients.

HOLISTIC APPROACH

We help clients decide where they want to go, and how to get there.

TIMELY SERVICES

Quick services with low turnaround time.

ROLES

We serve clients at every level of their organization, whether as a trusted advisor to top management or as a hands-on coach for front line employees

MEET TEAM

CHETAN C TALREJA

Chetan is founder and proprietor of C.C. TALREJA & CO. Chetan holds Chartered Accountant degree along with Bachelors of Commerce. He carries vast experience over a decade in handling work/ services provided by Chartered Accountants. He demonstrated expectational feedback from his clients by fulfilling their expectations and provided timely and quality services. He is always eager to look forward to interact new clients and builds relationship to grow further and expand its organisation.

DINESH MULCHANDANI

Dinesh is Manager at C.C. TALREJA & CO. Dinesh cleared 5 subjects of CA Final examinations and soon to be a Chartered Accountant. Dinesh also holds Bachelors of Commerce. Dinesh also carried vast experience of over decade in work/services related provided by Chartered Accountants. Dinesh has hands-on-experience in all services ranging from accountancy to taxation to audits and much more. He connects well with clients, understand their requirements and executed projects single-handedly

SUMMARY

At C.C. Talreja & CO., we believe in giving 110%. By using our expertise, we help organizations manage compliance, regulatory work in seamless manner. We thrive because of our market knowledge and great team behind our services. As our Proprietor says, "Efficiencies will come from proactively transforming how we provide our services.”

THANK YOU

Proprietor: Chetan C. Talreja

Phone No: +91 8975228988

Email Id: talreja.Chetan@gmail.com

Address: Shop No.15, Mona Market, Near Fish Market, Ulhasnagar, Thane 421001

MISHRA & ASSOCIATES

Company Secretaries

Office: B/31, 6th Floor, Chaddha Apartments, Telli Gully Cross Lane, Andheri East, Mumbai - 400 069, Maharashtra, India.

Email: office@mishraaandassociates.in Cell: 9773-478-068/ 9022-616-809

FIRM PROFILE

Founded in 2017, Mishra and Associates is a Practicing Company Secretary, firm rendering specialized services in area of Corporate Laws, IPR's, Corporate Governance issues, Legal drafting of agreements, Corporate Restructuring etc and registered as a practicing company secretaries' firm with the Institute of Company Secretaries of India (ICSI). We are also registered as Peer Reviewed Firm with the Institute of Company Secretaries of India.

Mishra and Associates has experience and specialize in dealing with matters relating to Company Law, Securities Laws, Corporate Governance matters, Legal Due Diligence, Joint Ventures, Due Diligence, Listings and Capital Market Transactions.

We have a right mix of a team of highly motivated young and experienced professionals. The quality of our people ensures the quality we serve our client. For the same reason, we put tremendous efforts in selection of our team.

At Mishra and Associates, we believe in acting professionally. Doing business with integrity. Being Passionate and Determined. Upholding our clients' reputations as well as our own. Treating people and the environment with respect. Acting in a socially responsible manner. Working together and thinking about the way we work. And above all, empowering ourselves and our stakeholders.

Services Provided:

- Company Law Related Compliances
- SEBI Law Related Compliances
- FEMA Related Compliances
- Stock Exchange Compliances
- Due Diligence
- Secretarial Audit
- Corporate Law Advisory Services
- Registration of Intellectual Property Rights

YRKDAJ AND ASSOCIATES LLP

Chartered Accountants

Portfolio of Services

INTRODUCTION

YRKDAJ and Associates LLP (YRKDAJ) is an eminent chartered accountancy firm with a solid team of five partners, the firm has consistently demonstrated its commitment to providing exceptional client service in the field of accountancy, finance and taxation.

Offering a comprehensive suite of services such as taxation consultation, auditing support, risk advisory, and more, YRKDAJ assist businesses of all sizes globally.

ESTABLISHMENT AND GROWTH

Established in 2018, YRKDAJ marks five years of robust growth and expansions. Starting as a group of individuals with a shared vision and passion for accounting, YRKDAJ has grown into an admired entity in the accounting world.

The firm began as a relatively small venture comprising the six founding partners. The partners pooled in their experience, knowledge, and know-how to create the firm with the aim of breaking new grounds in chartered accountancy.

With its head office in Mumbai (Ghatkopar) and a branch in Bihar (Jamui), the firm is well-positioned to understand and respond to diverse business environments.

HUMAN INFRASTRUCTURE

CA Rohit Teli	• M.Com, FCA, DISA
CA Krunal Suchak	• B.Com, FCA
CA Diwakar Shetty	• B.Com, FCA
CA Avinash Kumar	• B.Com(Hons), FCA
CA Jatin Chauhan	• B.Com, FCA, DISA

Intern and Staff – 25+

Detailed Overview of Services

ASSURANCE

- Statutory / Concurrent Audits of Banks under the
- Banking Regulation Act, 1949
- Statutory Audit under Companies Law
- Tax Audits under Income Tax Law
- Tax Audits under VAT & GST Law
- Internal/ Management Audits of Companies
- Stock Audit
- Due Diligence Reporting

TAXATION

Income Tax Consultancy

preparation of Income Tax Return,

Assessment of Tax Returns,

Tax Planning,

Domestic Transfer Pricing matters

TDS & withholding tax compliance

Lower / No Deduction Certificate related consultancy

Income Tax Appeals before CIT / ITAT

Survey, Search & Seizer Consultancy

Indirect tax advisory services - including VAT and GST

GST Advisory & Training

GST Transitional Support

GST & VAT monthly Compliance

Bond & LUT related work

Refund related work of exporters & persons with Inverted Tax Structure

International Taxation

Ex-patriate Taxation,

FDI / FII related matters

International Transfer Pricing matters

Double Taxation Avoidance Agreement analysis

NRI related matters

OTHERS

Finance

Preparation of Project Report

Preparation of CMA Data

Loan arrangement – Funded Finance / Non Funded Finance

Due Diligence of Finance

Valuation of Business

Accounting

Book Keeping & Accounting of Individuals, Firms, NGOs, LLP & Companies.

Design, Implementation and review of accounting manual

Advice on various Accounting Standards, Ind AS & IFRS.

Transition from IGAAP to Ind AS and Ind AS Implementation

Migration from existing accounting software to new accounting software

Societies & Trust (NGO)

Formation of Society, Trust & Section 8 Company

Registration u/s 12A and 80G of Income Tax Law

Registration under Foreign Contribution Regulation Act (FCRA)

Consultancy in above matters

Company Law Matters Consultancy

Formation of Companies / LLP

Compliance of Statutory Records

Mergers & Acquisitions

All matters related with Registrar of Companies (ROC)

Our Team

ROHIT V. TELI
M.Com, FCA, DISA

- CA with 10+ years of post qualification experience
- He specializes in bank audits, tax audits, Statutory Audits, GST audits, providing VAT and GST advisory services, maintaining compliance for shipping industries.
- He is proficient in conducting fraud risk assessments and internal control reviews, his expertise lies in special purpose audits as well as preparing financials compliant to Ind AS.

KRUNAL C. SUCHAK B.COM, FCA

- CA with 10+ years of post qualification experience
- He specializes in various areas including International Taxation strategies, Transfer Pricing techniques, providing expert advice on taxation matters and handling Appeals & Tax Litigation successfully upto High Court; He additionally offer specialized Internal Audit services exclusively tailored for businesses operating within the Hospitality Industry.
- Expertise in PPP projects of Mumbai Port Trust, Goa Port Trust and five years of experience in all types of Government Tender procedures and Concession Agreements.

DIWAKAR S. SHETTY B.Com, FCA

- CA with 10+ years of post qualification experience
- He has extensive experience in dealing with Statutory Audit, Taxation of High Net-worth Individuals, Financial Accounting service and Project Financing.
- He is proficient in examining Internal financial controls, assessing Internal controls over financial reporting, and conducting Internal audits specifically for Built-Operate-Transfer projects involving road infrastructure.

AVINASH KUMAR
B.Com (Hons), FCA

- CA with 10+ years of post qualification experience
- Managing Bihar Branch
- His primary focus is on expertise with regards to Income tax advisory, GST and VAT compliance, Direct and Indirect Tax Advisory Matters, Transfer Pricing, Scrutiny, Assessments and Appeals.

JATIN S. CHAUHAN
B.Com, FCA, DISA

- CA with 5+ years of post qualification experience
- He is a Certified Forensic Accountant (ICAI) and certified Concurrent Auditor (ICAI)
- His specialty areas include Management Consultancy, Ind AS consultancy, Preparation of financials in accordance with Ind AS, MIS Reports and Forensic accounting.
- His skills lies in internal auditing tailored to Telecom Infrastructure companies, along with an emphasis on effective anti-bribery and fraud monitoring, he is well-versed in conducting internal audits for the Hospitality industry.

Our Clients

LIST OF HOSPITALITY CLIENTS

HOTEL MARINE PLAZA
MUMBAI – 4 Star Hotel

FAIRFIELD BY MARRIOTT
MUMBAI – 4 Star Hotel

RAMADA HOTEL
NAVI MUMBAI- 4 Star Hotel

HOTEL RADISSON
MUMBAI Goregaon – 4 Star Hotel

ROYAL TULIP
KHAR GHAR- 3 Star Hotel

GOLDFINCH HOTEL
ANDHERI MUMBAI 4 Star Hotel

THE FERN
GOREGAON, MUMBAI

COUNTRY INNS
NAVI MUMBAI- 3 Star Hotel

HOTEL SAROVAR RESIDENCY
MUMBAI

CITRUS HOTEL
BANGALORE

LIST OF FEW OTHER CLIENTS

INDINFRAVIT

PRO VOLLEYBALL

moloobhoys

Summit DIGITEL

Group

SK ENGINEERING

COLLECTIVE HEADS
Experiential Marketing Solutions Pvt Ltd

IBFW.com
HOSPITALITY | WEDDING | FASHION

PEAK INFRASTRUCTURE

VIVID GROUP

BAYVIEW
LOUNGE | LAWNS | CAFE

U2M

BASELINE

apm
innovative printer & merchandiser

EMERITUS

AND MANY MORE . . . . . .

REACH US

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Marg, Ghatkopar- (W),
Mumbai- 400 086

Branch Office

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Khaira Road, Jamui-
811307 ,Bihar

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