Date: 07th September, 2020

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited
'Exchange Plaza', C-1 Block G, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051.

SYMBOL: KHFM

SUB: SUBMISSION OF NOTICE OF 14TH ANNUAL GENERAL MEETING AND ANNUAL REPORT 2019-20.

Dear Sir/Madam,

Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

- Notice of 14th Annual General Meeting of the Members of the Company
- Annual Report 2019-20Kindly take the same on your record.

Kindly acknowledge the receipt of the same.

Yours Faithfully,

For KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002
ADD: F-2504, OBEROI SPLENDOR, JVLR, OPP. MAJAS DEPOT,
JOGESHWARI (EAST), MUMBAI - 400060.

ANNUAL REPORT 2019 – 20

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

CIN: L74930MH2006PLC159290

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

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

Email: cs@khfm.in **Website:** www.khfm.in

KHFM

Hospitality & Facility management Services

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Director’s Report
Management Discussion and Analysis Report
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ravindra Malinga Hegde
Managing Director

Mrs. Sujata Ravindra Hegde
Director

Mr. Saurav Hegde
Non-Executive Director

Mr. Ravi Vimal Nevatia
Non-Executive, Independent Director

Mr. Brahm Pal Singh
Non-Executive, Independent Director

CHIEF FINANCIAL OFFICER

Mr. Naveen Alias Carvallo

AUDITORS

Statutory Auditors
M/s. Bhushan Khot & Company
Chartered Accountants

Internal Auditors
G. R. Shetty & Co.
Chartered Accountants

Secretarial Auditors
Mishra & Associates
Practicing Company Secretaries

BANKERS

Apna Sahakari Bank, Central Bank of India

Deutsche Bank, HDFC Bank, ICICI Bank

IDBI Bank, Oriental Bank of Commerce

State Bank of India

REGISTERED OFFICE

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East) Mumbai– 400059

Tel: +91 22 2851 1234
Fax: +91 22 2859 1483
Email: cs@khfm.in
CIN: L74930MH2006PLC159290

REGISTRAR AND SHARE TRANSFER AGENTS

BIG SHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059

Tel:+91-022-62638200
Fax: +91-022-62638299
Email: investor@bigshareonline.com

CHAIRMAN'S AND MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

We, at KHFM Hospitality and Facility Management Services Limited (KHFM), cherish your association with us and remain committed to creating value to you sustainably. The theme of annual report 'Creating Value by Building Trust' is a tribute to the trusted relationships we have fostered over the years and to the inclusive growth path we tread on.

Given the fog of uncertainty all around due to Covid - 19, it is hard to be prescient in these times. But there is little doubt on one reality: companies with quality leadership, sound business fundamentals, and a track record of winning in turbulent times, will emerge as champions in the new global order.

Indian Economy

COVID-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY20 and remained active to varying degrees in different geographies through most of the Q1 of FY21. It is estimated that about 80% of India's GDP originates from districts which were classified under the red and orange zones during the lockdown, where economic activity remained severely constrained. Correspondingly, India's GDP is likely to contract in FY21, which would be the first such instance in over four decades. The contraction is estimated to be particularly severe during Q1.

Responding to this challenge, both the Reserve Bank of India (RBI) and Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery. Government has initiated some remarkable reforms in agriculture, mining and public sector enterprises. Such pragmatic policies – along with the ambitious National Infrastructure Pipeline program that the Government had announced in December 2019 – will support India's medium-term growth rebound. In the interim, however, the Indian economy – like the global economy – will need to navigate through some difficult quarters

Your Company: In Perspective

Over a longer historical arc, the Company has witnessed dramatic disruptions across periods, businesses, and geographies. And yet, we have come out stronger. Always. A wide range of insights and experiences accumulated over diverse situations, allows the Company to fortify its businesses from both the immediate and the lingering effects of economic pain, caused by the pandemic.

In these turbulent and dynamic times, the Company's near-term focus is to hold the ship steady and to see it through the turbulence – by emphasising on conservation of cash, the safety of its teams and assets, and strengthening its business relationships. The Company is also closely examining the evolving changes in the business environment and their implications, to position itself well for leveraging the opportunities through and after the economic revival.

Faced with an unprecedented nationwide lockdown, our Company's businesses proactively created 'Business Continuity Plans' working through different scenarios. Our teams engaged deeply and meaningfully with customers and value chain partners to support them better in these extraordinary times.

Your Company's Performance

We have had an exceptional year. A special thanks to our Clients and our Employees. This is the Second Annual Report of the Company as a Listed Entity and it gives me great pleasure to share with you the highlights of our Company's performance, during the year ending March 31, 2020. The total turnover of the Company is Rs. 1,15,24,89,456/- as compared to previous year Rs. 78,00,11,978/-. The Profit Before Tax of the Company is Rs. 4,97,30,257/- as compared to previous year Rs. 3,56,49,158/- and Profit After Tax of the company stood at Rs. 4,35,45,615/- as compared to previous year Rs. 2,69,54,922/-.

I am thankful to all of you – our valued stakeholders who have supported the Company and Management. Your trust, support and inspiration have greatly helped us in building a value – accreting organization. A special thanks to our staff and employees who admirably and calmly risen to the challenge thrown by Covid – 19. I am confident that the future of the Company which is built on strong values, capabilities, trust and a brand and is a part of an exciting industry in the growing Indian landscape. I extend my best wishes for all of you and your families during this very challenging time faced by our company and rest of the world. When we emerge from the coronavirus, I have no doubt that the world will recognize and celebrate corporations that are exemplars of good governance and sustainable growth. You can count on your Company as being one of them.

Yours Sincerely

Sd/-

Ravindra Malinga Hegde

Managing Director

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of **KHFM Hospitality And Facility Management Services Limited** will be held on Wednesday, September 30, 2020 at 04:00 P.M. IST through video conference/other audio-visual means (VC/OAVM) to transact the following business:

Ordinary Business:

1. To adopt the Audited Financial Statements of the Company on Standalone Basis for the Financial Year ended March 31, 2020 consisting of Balance Sheet as at March 31, 2020, Statement of Profit & Loss for the Year Ended March 31, 2020 and Cash Flow Statement for the year Ended March 31, 2020 together with Notes to Financial Statements and Reports of the Board of Directors and Auditors including annexure thereon.

2. To declare a final dividend @ 2.5% i.e. Rs. 0.25/- (Twenty Five Paise Only) per Equity Share for the Financial Year 2019-20 as recommended by the Board of Directors be and is hereby declared and approved.

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

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

Sd/-
RAVINDRA MALINGA HEGDE
MANAGING DIRECTOR
DIN: 01821002

DATE: SEPTEMBER 07, 2020
PLACE: MUMBAI

NOTES FOR MEMBER'S ATTENTION:

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 to 5 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. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual

means (OAVM) read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – COVID-19 pandemic' ('SEBI Circular') permitted the holding of the AGM through VC or OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars & SEBI Circular, the 14th AGM of the Company is being held through VC/OAVM on Wednesday, September 30, 2020 at 04.00 p.m. The deemed venue for the 14th AGM will be 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East), Mumbai– 400 059, Maharashtra, India.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND SEBI CIRCULAR THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the Central Depository Services (India) Limited ('CDSL') website at www.evotingindia.com. The facility of participation at the AGM through VC/OAVM will be made available to all the shareholders of the Company.

5. Members/ Institutional Investors, who are Members of the Company, are encouraged to attend the 14th AGM through VC/OAVM mode and vote electronically. Pursuant to the provisions of the Act, the Institutional/Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutinizer at cs@khfm.in with a copy marked to helpdesk.evoting@cdslindia.com.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

8. 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.

9. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with Annual Report for the FY 2019-2020 is being sent **only through electronic mode** to those Members whose e-mail addresses are registered with the Company/Depositories as on September 4, 2020. The Notice convening the 14th AGM has been uploaded on the website of the Company at www.khfm.in and may also be accessed from the relevant section of the website of the National Stock Exchange of India Limited at www.nseindia.com. The Notice is also available on the website of CDSL at www.evotingindia.com

10. Members may pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014 file nomination in prescribed form SH-13 with the respective depository participant.

11. The Register of Members and Share Transfer Books will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive) for the purpose of the Annual General Meeting.

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

13. 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 the PAN to their Depository Participants with whom they are maintaining their Demat accounts.

14. As the Annual General Meeting of the Company is to be held through Video Conferencing/OAVM, members statements or any documents or have any query, are requested to write to the Company at least 10 days before the date of AGM through email on cs@khfm.in. The same will be replied / made available by the Company suitable.

15. PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:

i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate fron t and back), PAN (Self - Attested scanned copy of PAN card), AADHAR (self - attested scanned copy of Aadhar Card) by email to RTA. Email Id: info@bigshareonline.com.

ii. For Demat Shareholders – Members holding Shares in Demat mode can get their E-mail Id's registered with their respective DPs or by E-mail to info@bigshareonline.com.

iii. The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

16. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL 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 remote e-voting during the AGM will be provided by CDSL.

Members of the Company holding shares as on the cut-off date of Wednesday, September 23, 2020 may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM as well as remote e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, September 23, 2020, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com or cs@khfm.in.

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 to at least 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

The remote e-voting period commences on Sunday, September 27, 2020 at 9.00 a.m. (IST) and ends on Tuesday, September 29, 2020 at 5.00 p.m. (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 23, 2020.

17. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

The shareholders should log on to the e-voting website www.evotingindia.com
Click on "Shareholders" module.
Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

  OR

  Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

a) Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

b) After entering these details appropriately, click on "SUBMIT" tab.

c) Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

d) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

e) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

f) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

g) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

h) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

i) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

j) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

k) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

l) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

18. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

19. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

i. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed

.

ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at agmparticipant@bigshareonline.com and cs@khfm.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at agmparticipant@bigshareonline.com and cs@khfm.in. These queries will be replied to by the company suitably by email.

vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

20. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the EGM/AGM 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 available during the EGM/AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

5. The remote e-voting module on the day of the AGM shall be disabled by CDSL, for voting 15 minutes after the conclusion of the Meeting.

21. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www. evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@khfm.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

22. Other Instructions:

- The e-voting period commences on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares in dematerialized form, as on Wednesday, September 23, 2020 i.e. cut-off date, may cast their vote electronically.

- The Board of Directors has appointed Mr. Manishkumar Premnath Mishra (Membership No. ACS: 41066 and CP No. 18303) proprietor of M/s. Mishra & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process before and during the AGM in a fair and transparent manner.

- The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM, and votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

- The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.khfm.in and on the website of CDSL www.evotingindia.com immediately after the result is declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to National Stock Exchange of India Limited, where the shares of the Company are listed.

23. Dividend Related Information

The Board has recommended a dividend of 0.25/- per equity share of 10/- each, which is subject to approval of the Members at the AGM, the dividend will be paid on or before the 30th day from the date of declaration, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e. Friday, September 18, 2020, and in respect of the shares held in dematerialized mode, to

the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, after normalization of the postal service.

24. Shareholders are requested to register /update their complete bank details:

a) With their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and

b) With the Company / CDSL by clicking on www. evotingindia.com,or by emailing at cs@khfm.in or info@bigshareonline.com, if shares are held in physical mode, by submitting:
   - scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),
   - Self-attested copy of the PAN card and
   - cancelled cheque.

In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. April 1, 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs. 5000/- the withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

A. RESIDENT SHAREHOLDERS:

A1. Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Withholding Tax Rate	Documents Required (if any)
1	Valid PAN updated in the Company's Register of Members	7.5%	No Document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No Document required (if no exemption is sought)
3	Availability of lower/nil deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the Certificate	Lower Tax deduction Certificate obtained from Income Tax Authority

A2. No Tax Deductible at source on Dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in the column no.4 of the below table with the Company

Sr. No.	Particulars	Withholding Tax Rate	Documents Required (if any)
1	Submission of form 15G/15H	Nil	Declaration in form No. 15G

			(applicable to any person other than a company or a limit/ form 15H (applicable to an individual who conditions
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC etc.	Nil	Documentary evidence that the said provisions are not applicable
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	Nil	SEBI registration Certificate to claim benefit under section 197 A (1F) of IncomeTax Act, 1961
5	* Recognised provident funds * Approved superannuation fund * Approved gratuity fund	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	Nil	No TDS as per section 197A(IE) of Income Tax Act, 1961

B. NON – RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non – resident shareholders if the non – resident shareholders submit and register following documents as mentioned in column no. 4 of the below table with the Company.

Sr. No.	Particulars	Withholding Tax Rate	Documents Required (if any)
1	Foreign Institutional Investors (FIIs) /Foreign Portfolio Investors (FPIs	20% (plus applicable surcharge and cess)	FPI Registration Number /Certificate
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency Certificate issued by revenue authority of the country of residence of Shareholder for the year in which dividend is received 2. PAN 3. Form 10F filled & Duly Signed 4. Self - Declaration for non – Existence of permanent establishment /fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company

3	Indian Branch of a Foreign Bank	Nil	Lower Tax deduction certificate u/s 195(3) obtained from Income Tax Authority
			Self – Declaration confirming the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the Certificate	Lower Tax deduction certificate u/s 195(3) obtained from Income Tax Authority

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 07, 2020
PLACE: MUMBAI

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

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

Name of Director	Saurav Ravindra Hegde
Date of Birth	April 24, 1996
Date of First Appointment	April 23, 2018
Qualification/Awards/Recognitions	He holds Diploma in Computer Engineering from Maharashtra State Board of Technical Education, Mumbai and also pursuing a course on Hotel Management.
No. of Equity Share held in the Company as on 31st March, 2020	100
Disclosure of relationships between directors inter-se	Mr. Ravindra Malinga Hegde, Managing Director is a Father & Mrs. Sujata Ravindra Hegde is a Mother of Mr. Saurav Hegde.
Year of Experience	He has an experience of approx. 3 years in Digital Marketing.
Remuneration Last Drawn by such person, if any	Nil
Terms and conditions of appointment/ re-appointment & Remuneration sought for	NA
Area of expertise in specific functional areas/ Brief resume of Director	Digital Marketing.
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	Chairman of One (1) Committee

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the **14th Annual Report** on the affairs of the Company together with the Audited Financial Statements for the financial year ended on **March 31, 2020**

FINANCIAL HIGHLIGHTS/ PERFORMANCE OF THE COMPANY:

The financial results for the year ended 31st March, 2020 and the corresponding figures for the last year are as under:

(Amount in Rs.)

PARTICULARS	Financial Year 2019-20	Financial Year 2018-19
Turnover	1,15,24,89,456	78,00,11,978
Other Income	68,92,197	20,49,075
Profit Before Depreciation, Interest and Tax	**9,56,11,485**	**8,94,28,233**
Interest	4,30,49,407	4,97,08,898
Profit Before Depreciation and Tax	**5,25,62,078**	**3,97,19,345**
Depreciation and amortization expense	28,31,821	31,79,641
Profit Before Tax	**3,05,14,999**	**3,65,39,704**
Tax Expenses:		
Current Tax	90,96,814	99,49,257
Reversal of Provision of Income Tax	(32,71,206)	11,29,460
Deferred Tax	(87,282)	(17,41,685)
Profit / (Loss) for the Year	**4,39,91,931**	**2,63,12,126**

1. IMPACT OF COVID OWING TO COVID – 19 PANDEMIC

The COVID-19 pandemic has posed unprecedented challenges all over the world. All societies, industries and businesses are impacted, and our company is no Exemption. The Company has assessed that customers in Hospitality sector are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Facility management sector would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition where revenue is recognized on percentage-of-completion basis. The management

has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised Service - Level Agreements in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

The management has specifically evaluated the potential impact with respect to customers in Hospitality sector which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case.

2. COMPANY'S PERFORMANCE REVIEW:

The Company continues to see a growth in its overall performance in the financial year 2019-20. The revenue from operations for FY 2019-20 is Rs. 1,15,24,89,456/- increased by 47.75% and profit after tax is at Rs. 4,39,91,931/- increased by 67.19% as compared to previous year.

3. DIVIDEND

Considering the profit, growth, and future prospects of the Company, the Directors have decided to recommend the Final Dividend of Rs. 0.25 per share (2.5% on the Face Value of the Share) on 96,99,000 Equity Shares of the Company of Rs. 10/- each for Financial Year ended on March, 2020.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserves, for the financial year ended March 31, 2020.

5. CHANGES IN NATURE OF THE BUSINESS, IF ANY

The Company Continued to carry Business of Integrated Hospitality & Facility Management and there was no change in the nature of business or operations of the Company.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY HAVING OCCURRED SINCE THE END OF THE FINANCIALS YEAR AND TILL THE DATE OF THE REPORT

Company has successfully completed Initial Public Offer (IPO) of 29,49,000 Equity Shares of Rs. 10 each at a Price of Rs. 36/- per shares and Listed its Equity Shares on NSE Emerge Platform (SME Platform of NSE) with effect from April, 12, 2019.

There have been no other 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.

Further, during the Financial Year under report, no significant or material order has been passed by any of the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

7. SHARE CAPITAL

During the Financial Year 2019-20, Company issued and allotted 29,49,000 Equity Shares of Rs. 10/- Each at a Cash Price of Rs. 36/- per Share (Including premium of Rs. 26/- per share) by Initial Public Offering (IPO).

As on March 31, 2020, the Authorized Share Capital of the Company is Rs. 12,00,00,000/- divided into 1,20,00,000 Equity Shares of Rs. 10/- each and Paid – up Share Capital of the Company is Rs. 9,69,90,000/- consisting of 96,99,000 Equity Shares of Rs. 10/- each.

8. DEMATERIALISATION OF EQUITY SHARES

The entire shareholding of the Company is in demat mode. The ISIN No. Allotted is INE00UG01014.

9. DEPOSITS

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

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

The Company did not grant/make any loan/Investment and provide any guarantee in respect of loans availed by others, under provisions of Section 186 of Companies Act, 2013 and Rules framed thereunder during the Financial Year under Report.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

12. SUBSIDIARY COMPANY / ASSOCIATE COMPANY / JOINT VENTURE

As on 31st March, 2020, the Company does not have any subsidiary, joint venture and associate company.

13. CONVENING OF ANNUAL GENERAL MEETING THROUGH AUDIO VISUAL MEANS

Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020; General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') and other applicable circulars issued by the Securities and Exchange Board of India ('SEBI') permitted convening the Annual General Meeting through Video Conference (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, applicable provisions of the Companies Act, 2013 and Listing Regulations, the 14th Annual General Meeting of your Company will be convened and conducted through VC/OAVM.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. The Directors and Key Managerial personnel of the Company as on March 31, 2020 are as below:

Sr. No.	Name	Designation	DIN/PAN
1.	Ravindra Malinga Hegde	Managing Director	0001821002
2.	Sujata Ravindra Hegde	Executive Director	0001829352
3.	Ravi Vimal Nevatia	Independent Director	0007200190
4.	Brahm Pal Singh	Independent Director	0008045923
5.	Saurav Hegde	Non-Executive Director	0008116567
6.	Naveen Alias Carvallo	Chief Financial Officer	AEPPC7684B

ii. During the Financial year 2019-20:

Change in Board of Directors and KMP's:

- Mr. Abhibrat Shankar Kumar Das, Independent Director of the Company, resigned from the board due to his preoccupation elsewhere vide letter dated October 22, 2020 The Board appreciated for the guidance provided by Mr. Abhibrat Shankar Kumar Das during his tenure as an independent director on the board as Independent Director

- Mr. Anubhav Shrivastava, Company Secretary and Compliance Officer of the Company vide his resignation letter dated March 05, 2020 tendered his resignation from the post due to his health reasons with effect from March 17, 2020. The Board appreciated Mr. Anubhav Shrivastava for the Services provided by him during his tenure as Company Secretary and Compliance Officer.

iii. Retire by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the Office of Mr. Saurav Hegde, (DIN: 08116567) 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.

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

Definition of 'Independence' of Directors is derived from regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Companies Act, 2013 and rules framed thereunder. Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the Listing Regulations.

v. Disqualification of Directors:

During the financial year 2019-20 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The Board noted the same.

15. COMMITTEES OF THE BOARD

As on March 31, 2020, 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. Ravi Vimal Nevatia	Chairman	Independent & Non – Executive Director
Mr. Brahm Pal Singh	Member	Independent & Non – Executive Director
Mr. Ravindra Malinga Hegde	Member	Managing Director

All members of the Audit Committee have the requisite qualification for appointment on

the committee and possess sound knowledge of finance, accounting practices and internal controls. All the recommendations made by the Audit Committee were accepted by the Board. The Company Secretary during his tenure has acted as a secretary to the Committee.

During the Financial Year 2019-20, the Audit Committee of the Board of Directors met Three times viz 30.05.2019, 30.08.2019 and 11.03.2020.

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. Nomination & Remuneration committee was re-constituted on 14th November, 2019 after resignation of Mr. Abhibrat Shanker Kumar Das.

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

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

Name of the Director/Member	Designation	Nature of Directorship
Mr. Brahm Pal Singh	Chairperson	Independent & Non- Executive Director
Mr. Ravi Vimal Nevatia	Member	Independent & Non- Executive Director
Mr. Saurav Hegde	Member	Non- Executive Director

During the Financial Year 2019-20, the Nomination and Remuneration Committee of the Board of Directors met Three times viz 30.05.2019, 30.08.2019 and 11.03.2020.

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. Saurav Hegde	Chairman	Non – Executive Director
Mr. Brahm Pal Singh	Member	Independent & Non – Executive Director
Mrs. Sujata Ravindra Hegde	Member	Executive Director

During the Financial Year 2019-20, the Stakeholders Relationship Committee of the Board of Directors met Two times viz 30.08.2019 and 14.11.2019.

16. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2019-20.

17. BOARD MEETINGS

➢ **Number of Board Meetings**

The board of directors of the company met 5 times during the year to deliberate on various matters. The meeting were held on 09.04.2019, 30.05.2019, 30.08.2019, 14.11.2019 and 11.03.2020. The interval between the two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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

*Mr. Abhibrat Shankar Kumar Das has resigned from the Board with effect from 22th October, 2019.

18. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors, Executive Director, and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors/Executive Director and the Chairman of your Company.

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Director and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the Directors, on the basis of criteria such as the Board/ Committee composition and structure, effectiveness of the Board/Committee process, information and functioning etc.

The performance evaluation of all the Directors of your Company (including Independent Directors, Executive Director and Non-Executive Directors and Chairman), is done at the Nomination and Remuneration Committee meeting and the Board meeting by all the Board members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others. Following the meetings of Independent Directors and of Nomination and Remuneration Committee, the Board at its meeting discussed the performance of the Board, as a whole, its Committees and Individual Directors.

19. 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 2020 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.

20. 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, 2020 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	NIL
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	

21. EXTRACT OF THE ANNUAL RETURN

As per the requirements of section 92 (3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the Annual Return for the Financial Year ended March 31, 2020 is given in **Annexure II** in the prescribed **Form MGT-9**, which forms part of this Report. The same is available on https://www.khfm.in/annual-reports/.

22. CORPORATE GOVERNANCE

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

23. COMPLIANCES OF SECRETARIAL STANDARDS

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

24. 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.

During the year under review, no material or serious observation has been received from the Auditors of your Company citing inefficiency or inadequacy of such controls.

25. 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.

26. 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.**

27. 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 Bhushan Khot & Co., Chartered Accountants (Firm Registration Number: 116888W) have been appointed as Statutory Auditor of the Company for a period of five consecutive years, till the conclusion of the 17th Annual General Meeting of the Company, to be held in the year 2023.

Pursuant to the provisions of section 139(1) of the Companies Act, 2013, as amended with effect from May 07, 2018, ratification of the appointment of the statutory auditors, by the Members at every Annual General Meeting during the period of their appointment,

has been withdrawn from section 139(1) of the Companies Act, 2013 with effect from that date. In view of the above, no resolution is proposed for ratification of appointment of the Statutory Auditor at the Annual General Meeting, and a note in respect of the same has been included in the Notice of the Annual General Meeting.

The Statutory Auditors have confirmed that they are not disqualified to continue as Auditors, and are eligible to hold office as Auditors of the Company. The Board, on the recommendation of the Audit Committee, has ratified the appointment of the Statutory Auditors for their respective remaining terms at such remuneration, as may be mutually agreed between the Board of Directors and the Statutory Auditors, from time to time

(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, Company Secretaries, Mumbai, to conduct the secretarial audit for FY 2020-21. The Secretarial Audit Report, issued by M/s. Mishra & Associates, Company Secretaries for the FY 2019-20, is set out in **Annexure 'V'** to this Report.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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 relatives helps in real time detection and taking appropriate action, in case of any violation/non-compliance of the Company's Insider Trading Code.

33. 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.

34. 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.

35. 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.

36. 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.

37. 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.

38. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 and rules made thereunder are not applicable to the Company during the Financial Year 2019-20.

39. ACKNOWLEDGEMENT

Your Directors 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 Directors 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.

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

Ravindra Malinga Hegde	**Sujata Ravindra Hegde**
Managing Director	**Director**
Din: 01821002	**Din: 01829352**

Place: Mumbai,
Date: September 07, 2020

ANNEXURE I

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

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

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

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS		
(a) Name(s) of the related party and nature of relationship		
Sr. No.	**Related Party**	**Relationship**
1.	Mr. Ravindra Malinga Hegde	Managing Director
2.	Mrs.Sujata Ravindra Hegde	Director
(b) Nature of Contracts/Arrangements/Transactions		
Sr. No.	**Particulars**	**Amount (Rs.)**
1.	Rent paid to Mr. Ravindra Malinga Hegde	9,24,000/-
(c) Duration of contracts/arrangements/transactions		

Sr. No.	**Contracts/Arrangements/Transactions**	**From**	**To**
2.	Transactions	01/04/2019	31/03/2020
(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: 9th April 2019			
(g) Amount paid as advances, if any: NA			

ANNEXURE II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars	Particulars
1.	CIN	L74930MH2006PLC159290
2.	Registration Date	27th January, 2006
3.	Name of the Company	**KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED**
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5.	Address of the Registered office & contact details	01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East) Mumbai – 400059, Maharashtra. Phone: +91 22 2851 1234
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	**BIGSHARE SERVICES PVT. LTD.** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) – 400 059, Maharashtra, India Phone: 022 - 62638200

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise shareholding:

Sr. No.	Category of shareholders	No. of shares held at the beginning of the year April 01, 2019				No. of shares held at the end of the year March 31, 2020				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	**Promoters and Promoter Group**									
(1)	**Indian**									
(a)	Individuals / HUF	67,49,985		67,49,985	99.99	68,45,985	-	68,45,985	70.58	(29.41)
(b)	Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (Director Relative)	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)		**67,49,985**		**67,49,985**	**99.99**	**68,45,985**	**-**	**68,45,985**	**70.58**	**(29.41)**

(2)	Foreign									
Sr. No.	Category of shareholders	No. of shares held at the beginning of the year April 01, 2019				No. of shares held at the end of the year March 31, 2020				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(a)	Individuals (Non Resident Individual /Foreign Individual	-	-	-	-	-	-	-	-	-
(b)	Bodies corporate									
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified foreign investor	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group (A)		**67,49,985**		**67,49,985**	**99.99**	**68,45,985**	**-**	**68,45,985**	**70.58**	**(29.41)**
B	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c)	Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIIs	-	-	-	-	-	-	-	-	-
(i)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(j)	Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2)	**Non-Institutions**									
(a)	Body Corporates	-	-	-	-	-	-	-	-	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital up to Rs. 2 lakh	15	-	15	Negligible	6,36,015	-	6,36,015	6.56	6.56
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	-	-	-	11,25,000	-	11,25,000	11.60	11.60
(c)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(d)	Any other									
i	Non-resident Indians	-	-	-	-	9,000	-	9,000	0.09	0.09
ii	Body Corporates	-	-	-	-	5,76,000	-	5,76,000	5.94	5.94
iii	Market Makers	-	-	-	-	1,59,000	-	1,59,000	1.64	1.64
iv	Clearing Members / Clearing House	-	-	-	-	2,37,000	-	2,37,000	2.44	2.44
v	HUF's /Trusts	-	-	-	-	1,11,000	-	1,11,000	1.44	1.44
vi	Alternative Investment Fund	-	-	-	-	-	-	-	-	-
vii	IEPF Suspense A/c	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)		**15**	**-**	**15**	Negligible	**28,53,015**	**-**	**28,53,015**	**29.42**	**29.41**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**15**	**-**	**15**	Negligible	**28,53,015**	**-**	**28,53,015**	**29.42**	**29.41**
C	Shares held by Custodian and against which for GDRs & ADRs:	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**67,50,000**	**-**	**67,50,000**	**100%**	**96,99,000**	**-**	**96,99,000**	**100**	**100**

On the occasion of IPO, 29,49,000 equity shares were offered to public due to which the percentage of the shares of individual promoters has been diluted.

ii. Shareholding of promoters (including promoter group):

Sr. No.	Shareholders Name	Shareholding at the beginning of the year April 01, 2019			Shareholding at the end of the year March 31, 2020			% change in the shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Ravindra Malinga Hegde	58,04,785	85.99	-	58,94,785	60.78	-	(25.21)
2.	Sujata Ravindra Hegde	9,45,000	14.01	-	9,51,000	9.81	-	(4.20)
3.	Riddhi Ravindra Hegde	100	Negligible	-	100	Negligible	-	-
4.	Saurav Ravindra Hegde	100	Negligible	-	100	Negligible	-	-

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

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 01, 2019		Cumulative shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	67,49,985	99.99	68,45,985	70.58
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	Mr. Ravindra Malinga Hegde purchased 90,000 shares and Mrs. Sujata Ravindra Hegde Purchased 6000 shares through open market during F.Y. 2019-20 which comprises 0.99% of the Paid - up Share Capital of the Company.			
	At the End of the year	67,49,985	99.99	68,45,985	70.58

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

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 01, 2019		Cumulative shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Badjate Stock Broking Private Ltd	-	-	2,76,000	2.85
2.	Bonanza Portfolio Ltd	-	-	2,04,000	2.10
3.	Nikunj Stock Brokers Limited	-	-	1,59,000	1.64
4.	Pratay Nivesh Pvt. Ltd.	-	-	1,50,000	1.55
5.	Vora Tarla Mahendra	-	-	99,000	1.02
6.	Manish Bihani	-	-	99,000	1.02
7.	Akash Jain	-	-	99,000	1.02
8.	Kumudgouri Gunvantrai Vaghani	-	-	90,000	0.93
9.	Trupti Jatin Parekh	-	-	84,000	0.87
10.	Sanjay Bansal	-	-	78,000	0.80

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

The figures for "Shareholding at the beginning of the year" are not indicated as the Company got listed on April 12, 2019 on NSE Emerge Platform.

v. Shareholding of directors and key managerial personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 01, 2019		Cumulative shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ravindra Malinga Hegde	58,04,785	85.99	58,94,785	60.78
2.	Sujata Ravindra Hegde	9,45,000	14.01	9,51,000	9.81
3.	Saurav Ravindra Hegde	100	Negligible	100	0.001
4.	Naveen Alias Carvallo	5	Negligible	5	Negligible

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	23,87,31,552 /-	2,67,61,740 /-	-	26,54,93,292/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**23,87,31,552 /-**	**2,67,61,740 /-**	**-**	**26,54,93,292/-**
Change in indebtedness during the financial year				
▪ Addition	1,71,94,107 /-	-	-	1,71,94,107 /-
▪ Reduction	-	17,50,707/-	-	(17,50,707/-)
Net Change	**1,71,94,107 /-**	**(17,50,707/-)**	**-**	**1,54,43,400 /-**
Indebtedness at the end of the financial year				
i) Principal amount	23,87,31,552/-	2,67,61,740/-	-	26,54,93,292/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**23,87,31,552/-**	**2,67,61,740/-**	**-**	**26,54,93,292/-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Managing Director	Director	Chief Financial Officer	Company Secretary	Total Amount
		Ravindra Malinga Hegde	Sujata Ravindra Hegde	Naveen Alias Carvallo	Anubhav* Shrivastava	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	36,00,000	30,00,000	7,20,000	3,50,000	76,70,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	as % of Profit		-	-	-	
5.	Others, please specify	-	-	-	-	-
	Total (A)	**36,00,000**	**30,00,000**	**7,20,000**	**3,50,000**	**76,70,000**

*Resigned with effect from 17th March, 2020

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Sitting fees for attending Board/Committee Meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Abhibrat Shanker Kumar Das*	30,000	-	-	30,000
	Brahm Pal Singh	35,000	-	-	35,000
	Ravi Vimal Nevatia	35,000	-	-	35,000
2.	**Non – Executive Director**				
	Saurav Hegde	35,000	-	2,75,000	3,10,000
	Total	**1,35,000**		**2,75,000**	**4,10,000**

*Resigned with effect from 22nd October, 2019

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board
FOR KHFM HOSPITALITY AND FACILITY MANAGEMENTSERVICES LIMITED

Ravindra Malinga Hegde
Managing Director
Din: 01821002

Sujata Ravindra Hegde
Director
Din: 01829352

Date: September 07, 2020
Place: Mumbai

ANNEXURE - III

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

(a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ending March 31, 2020 and

(b) The Percentage Increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year ending on March 31, 2020.

Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in FY 2019-20
Mr. Ravindra Malinga Hegde	Managing Director	21.88 : 1	Nil
Mrs. Sujata Ravindra Hegde	Executive Director	18.24 : 1	Nil
Mr. Saurav Hegde	Non-Executive Director	1.67 : 1	NA
Mr. Ravi Vimal Nevatia	Non-Executive and Independent Director	Being Non-Executive Independent Directors, only sitting fees was paid and thus ratio is not given.	
Mr. Brahm Pal Singh	Non-Executive and Independent Director		
Mr. Abhibrat Shanker Kumar Das[5]	Non-Executive and Independent Director		
Mr. Naveen Alias Carvallo	CFO	4.38 : 1	20%
Mr. Anubhav Shrivastava[6]	Company Secretary	2.23 : 1	Nil

Notes:

1. The percentage increase in the median remuneration of employees in the financial year 2019-20 is 7.5 to 15%
2. The Total number of employees on the rolls of the Company in the financial year 2019-20 is 2035**.**
   - Total Number of Employee on the roll of the Company as at March 31, 2020: 182
   - Total Number of Employee on the roll of the Contractors as at March 31, 2020: 1853
3. Average remuneration increase for non-managerial personnel of the Company is as per point 1 above.
4. It is hereby affirmed that that the remuneration paid is as per the remuneration policy of the Company.
5. Mr. Abhibrat Shanker Kumar Das, Independent Director has resigned from the Company w.e.f. from 14th November, 2020.
6. Mr. Anubhav Shrivastava, Company Secretary & Compliance Officer, has resigned from the Company w.e.f. 17th March, 2020.

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

The year 2019 has been a year of challenges for the global economy, with GDP declining to 2.9%, below the previous projections of 3.3% in January 2020, and its slowest since the global financial crisis in 2009, as per the International Monetary Fund (IMF). The contraction in growth is majorly attributed to the rising trade rift and geopolitical tensions, leading to uncertainty in global trade and adversely affecting business investments and investor confidence. While China, India and the ASEAN-5 performed better than other economies, the US and the UK registered a GDP growth of 2.3% and 1.4% respectively, while countries like Sri Lanka, Nepal and the Maldives were at 2.3%, 7.1% and 5.7%, respectively. The early signs of recovery evident in January 2020 on account of reduced trade tensions between the US and China as well as a softer Brexit, however, dissipated due

to the onset of the Novel Coronavirus disease from February 2020, derailing economic growth significantly. Declared a pandemic by the World Health Organisation (WHO), governments across the world, in an effort to curtail the rapid spread of the infection, severely restricted travel, mandated extreme 'social distancing' measures and reduced supply chains to the movement of 'essentials'.

Outlook

As the COVID-19 pandemic continues to impact human health, responses to arrest this pandemic across countries are severely impairing economic activity. The global economy is projected to contract sharply by 3% in 2020. Several countries have announced large fiscal stimulus packages to support marginalized and working-class families, whose sustenance has been impacted unexpectedly by the prevailing conditions. Countries reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions. Emerging markets and developing economies face additional challenges with unprecedented reversals in capital flows as global risk appetite wanes, currency pressures build up and weaker health systems and limited fiscal space fall short in supporting the increasing number of afflicted people. (Source: World Economic Outlook, April 2020: The Great Lockdown). For the year 2020, IMF has projected only China and India among the larger nations, to have a positive GDP growth. It projects US GDP to contract by 5.9%, UK by 6.5%, the Euro Area by 7.5% and South Africa by 5.8%. Countries like the Maldives could be impacted severely as they are heavily dependent on tourism, especially from China, the Middle East and Europe. Despite the flattening of the COVID-19 curve in major economies, the uncertainty looming around it, especially on how it could evolve in the future is a major concern since a fresh wave of infection would be disastrous for the global economy.

Indian Economy

The Indian economy registered a growth rate of 4.2% in FY 2019-20, as against 6.1% in the previous financial year - the lowest in the last eight years. The slow growth is attributed largely to the decline in domestic consumption and private investment, besides the increased stress in the non-banking financial sector, which further weakened credit growth. The downside, a lagged effect of Q4 of FY 2018-19 on the domestic front, was led by weak consumption in the automobile and two-wheeler sector, reduction in credit funding of non-banking financial companies and impact on exports from moderating global demand. Inflation, as measured by the Consumer Price Index (CPI), remained modest for the major part of the year, largely due to the benign food inflation that is a major constituent of CPI. The Wholesale Price Index (WPI) inflation too remained in low single digits during the year on account of marginal increase in fuel prices. Addressing the growth concerns, the government has, since then, taken a number of bold measures including lowering corporate tax rates and further reforms in the banking sector supported by the Reserve Bank of India's monetary policies entailing reduction in policy rates. These stimulatory measures, coupled with subdued oil prices, were expected to provide the required fillip to the slowing economy in end FY 2019-20. However, the outbreak of COVID-19 in India in March 2020, drastically changed the economic outlook for India, as it did for many other nations. A series of relief packages and subsidies were announced by the Indian government to minimize the economic impact of the lockdown on small and medium enterprises, farmers, migrant labourers, etc. The RBI announced a series of monetary measures

including 6-month moratoriums on loans through banks, automatic collateral-free loans to small businesses, reduced withholding tax rates and extended payment due dates to mitigate the risk of a liquidity crisis in the Indian economy.

FACILITY MANAGEMENT

The Facility Management industry continues to benefit from increased outsourcing. Some of the key growth drivers of the facility management industry include:

- Greater awareness of cleanliness and Hygiene
- Government playing a pro-active role in outsourcing
- More outsourcing by corporates who were hitherto insourcing
- Increasing penetration of modern commercial real estate and comfort of developers with outsourcing to established players
- Emerging sectors like healthcare, pharmaceuticals, food and beverage, restaurants etc. demanding high levels of cleanliness that cannot be provided by in-house personnel

The Indian Facility Management industry is expected to grow at 17% p.a over the period 2019-2024, as per Freedonia Research. The Facility Management industry too has a large unorganized sector which accounts for 75% of the industry; however the unorganized sector is gradually ceding space to the organized players with the greater focus on regulatory compliance by the government and poor fiscal position of many of these players.

2. OPPORTUNITY & THREATS

- **Opportunity:**

  - Growth in real estate will be paired with a preference towards safe, clean and secure environment especially in residential sector.

  - Beyond the Tier 1 metros, demand is also expected to rise from the tier 2 and tier 3 cities due to increased business activities.
  - By 2025, around 38 % of India's population is predicted to live in urban regions, and cities will account for 80 % of India's GDP.

  - The government's ambitious plan to develop 100 smart cities, (attracting an investment of $216 Billion into infrastructure), will result in a surge in infrastructure creation, driven by sustained population growth. This will create a sustained need for professional, holistic facilities maintenance services.

- **Threats:**

  - The FM industry suffers from severe fragmentation and is dominated largely by the unorganized sector, primarily through local service providers.

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

3. SEGMENT- WISE OR PRODUCT- WISE PERFORMANCE

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

4. OUTLOOK

The outbreak of the COVID-19 pandemic and consequent nationwide lockdown and other restrictions imposed by the government on movement across the country since March 24, 2020 is expected to severely affect the economic growth during FY 2020-21, especially in the first quarter.

The short term economic recovery is expected to be accelerated by an increase in government expenditure in key sectors of the economy and the implementation of stimulus packages announced by the government as part of its response to mitigate the hardships faced by both the economy and the people.

Over the long term, a healthy saving culture among Indians, higher proportion of a young working population and policy reforms are expected to drive India's economic growth. The soft food inflation trend is expected to continue, given the increased agricultural productivity in the country.

The challenges posed by the COVID-19 pandemic are expected to be short term under the existing scenario, where severe infection is limited to certain geographies, with many states already experiencing a flat curve in terms of infection rate. However, uncertainty on how the infectivity would evolve in the future would largely dictate the time required for the economic growth to regain normalcy

5. RISK AND CONCERN

Operating Risks:

The revenue streams in the facility management industry are recurring in nature, which gives a high degree of predictability to the revenue and cash flows. However, with a widespread operational network we need to ensure that each of these sites operates to the same exacting quality standards across the length and breadth of the country. Over the past years we have developed a lot of learning's in foreseeing risks and the mitigation measures needed. These run across the gamut – in hiring, training, evaluation and in control systems to ensure that risks of slippage are minimized. We also continually invest in technology to simplify the process of managing operations across all these sites. A high degree of standardization is needed – so that measurement and reporting is simplified.

Workplace risks:

We have a robust health and safety policy aimed at ensuring the safety of our employees and the people working at our customer sites. Our HR policies comply with health and safety regulations in our operations. Through a systematic analysis and control of risks, we believe that accidents and occupational health hazards can be significantly reduced. Hence, we conduct proper training for the management as well as employees. We have implemented work safety measures to ensure a safe working environment at our customer sites.

Financial Risk:

The Company's operations expose it to market risk, credit risk and liquidity risk. The Company's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

6. INTERNAL CONTROL SYSTEM

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial statements.

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

During the period under review the total turnover of the Company Rs. 1,15,24,89,456/- as compared to previous year Rs. 78,00,11,978/-. The Profit before tax of the Company is Rs. 3,05,14,999/- as compared to previous year Rs. 3,65,39,704/- and Profit After Tax of the company stood at Rs. 4,39,91,931/- as compared to previous year Rs. 2,63,12,126/-

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 2000 people (including contractual) strong and dedicated workforce travel abreast of the latest trends.

Key Financial ratios

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

PARTICULARS	STANDALONE		
	F.Y. 20	F.Y. 19	Variation %
Debtors Turnover ratio	3.02	2.23	35.43
DEBT/EBIDTA	4.84	4.13	17.19
Interest Coverage ratio	2.14	1.74	22.99
Current Ratio	1.80	1.80	-
Debt-Equity Ratio	1.32	1.80	-26.67
Operating Profit Margin	9.40	9.29	1.18
Net Profit Margin (before Tax)	4.20	4.68	-10.26
Return on Net worth	0.13	0.13	-

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[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 – 400072, Maharashtra.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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.

The Company is Listed on the NSE Emerge Platform of National Stock Exchange (NSE).

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** generally 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, 2020** 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 as the Company has not granted/issued any benefits/shares to employees 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 as the Company has not issued any further share capital 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;

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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. The Listing Agreement entered into by the Company with National Stock Exchange and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
c. 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, to the extent applicable:

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;

4. As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that as per the information and explanations given to us, the representation made by the management and relied upon by us, there are adequate systems, processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable Laws, Rules, Regulations, Guidelines, Standards, etc. to the Company.

For **Mishra & Associates**
Company Secretaries

Manishkumar Premnath Mishra
Proprietor
Membership No. 41066
C. P. No. 18303
FRN: S2017MH516400

Date: September 07, 2019
Place: Mumbai

Disclaimer: *Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The Management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations /guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-20. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.*

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

Annexure 'AA'

To,
The Members of
KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
01, Nirma Plaza, Makhwana Road, Marol Naka,
Andheri (East), Mumbai – 400072, Maharashtra.

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

Date: September 07, 2020
Place: Mumbai

BHUSHAN KHOT & CO
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To

The Members

KHFM Hospitality & Facility Management Services Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of KHFM Hospitality & Facility Management Services Ltd ("the Company"), which comprises of the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act,2013 ("the act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered

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Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provision of the Act and the Rules there under, and we have fulfilled our other ethic responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

Emphasis of Matter

1. We draw attention to Note no.14 to the standalone financial statements, relating to Non-Current Liabilities as on 31st March 2020, the Company has opted for Moratorium benefit offered by bankers due to COVID-19 pandemic allowing deferment of repayment of principal / interest as per bank's policy. However, Management of the company informed us that the revised repayment schedules considering the moratorium availed on the unsecured loans for calculation of effective rate of interest is not yet made available from the Banks / NBFC to the company to assess and quantify effect of interest on loans recognized in the financial statements and hence the impact of moratorium and rescheduling of liabilities has not been considered in this financial statement.

   Our opinion is not modified in respect of this matter

2. We draw attention to Note No.2.12 and 26 to the standalone financial statements, relating to Employee Benefit Expenses (including transactions related to provident fund, ESIC, profession tax & gratuity), Site Expenses, Advance for Site Expenses for the year ended on 31st March 2020. We found that the system of recording needs improvement to ensure completeness, transaction trail and related documentary evidences. The board of directors have stepped in by directing the top management to keep suitable records and are placing efforts to invest resources to establish and maintain internal controls over such expenses. However, according to Management estimates, the site expenses and related transactions are fairly stated in the financial statement and there are no material deficiencies.

   Our opinion is not modified in respect of this matter

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3. Refer Note No. 44 of Standalone Financial Statements, the Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables (including micro and small enterprises and including capital creditors) and loans and advances are pending. The management is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.

   Our Opinion is not modified in respect of aforesaid matter.

4. As more fully described in Note no.2.2 to the standalone financial statements, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

   Our Opinion is not modified in respect of aforesaid matter.

5. However, we found that the recording system are scant regard to site expenses and pertinent advances, needs improvement to ensure completeness, transaction trial and relevant documentary evidences. In absence of conventional record, we are unable to assess and quantify the effect of said transactions on financial statements. However, Management is reasonably assured about transactions are fairly stated in the financial statement and there is no material deficiencies.

   Our opinion is not modified in respect of aforesaid matter.

6. Restatement with respect to Gratuity Provision & Plan Assets. We draw attention to Note no.2.12 to the Standalone Financial Statements which states that during the current year, the management noted an error in accounting of Gratuity Provision and its plan Assets with respect to accounting for Plan assets during fiscal years. The Company during the year could not practically determine the period specific effect of an error on comparative information for prior period presented, therefore the opening balance of gratuity plan asset and equity is restated for the financial year 2019-20.

   Our opinion is not modified in respect of aforesaid matter.

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Key Audit Matters

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

The key audit matters	**How our audit addressed the key audit matter**
Revenue recognition	
Revenue recognition was identified as key Audit Matter since- • There is an inherent risk around the accuracy and existing of revenues recognized considering the customized and complex nature of these contracts. • Application of Revenue Recognition accounting standard (Ind As 115 – Revenue from contracts with customers) is complex and involves a number of key judgements and estimates in mainly identifying performance obligations, related transaction price and estimating the future cost to completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation. • Due to large variety and complexity of contractual terms, significant judgements are required to estimate the amounts. If the actual amount differs from the amount estimated, this will have an impact on the accuracy of the revenue recognized in the current period.	Our Audit Procedures on revenue recognized from fixed price contracts included: • Obtained an understanding of the systems, process and controls implemented by the management for recording and computing revenue and the associated contract assets. • On selected specific/statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard. • We selected a sample of continuing and new contracts and performed the following procedures: ➢ We read the agreements with the customers to identify the distinct performance obligations, the transaction price and its allocation to the performance obligations in the contract and the classification of the contract for the basis of revenue recognition in accordance with Ind As 115. ➢ For Fixed maintenance contracts, we verified the period of the

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• These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made.	contract with the customer agreements and the determination of the revenue. We verified if the revenue was recognised appropriately over the period of contract of services being rendered and whether the revenue recognised was based on the estimate of the amount of consideration to which the Company is entitled in exchange for transferring the services. ➢ For Fixed price contracts, we have verified the measurement of revenue for the extent of delivery of performance obligations with the actual and estimated cost of efforts as per the projected budgets. • Evaluated the identification of performance obligations and the prescribed transaction. • Tested the management's computation of the estimation of contract costs and onerous obligations, if any. • We performed analytical procedures as applicable for reasonableness of revenues disclosed and service offerings. • We: ➢ Assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; ➢ Performed a retrospective analysis of costs incurred with estimated

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	costs to identify significant variations and verified whether those variations are required to be considered in estimating the remaining costs to complete the contract; and ➢ Inspected underlying documents and performed analytics to determine reasonableness of contract costs.
Allowance for doubtful debts/ Provision for Expected Credit Loss	
Allowance for doubtful debts was identified as key Audit Matter since- • Receivables comprise a significant portion of the liquid assets of the Company. • There is an inherent risk around the accuracy of company's trade receivables being fairly valued and adequately provided against where doubt exists. • There is a risk of debtors being misstated and disclosures related to the same in the financial statements. • 31% of the trade receivables are past due for more than 6 months but not impaired. • Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	• We assessed the validity of material long outstanding receivables by considering , past payment history and unusual patterns to identify potentially impaired balances. • The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures including: ➢ Verifying the appropriateness and reasonableness of the assumptions applied in the management's assessment of the receivables allowance. ➢ To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.

Other Information

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

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of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud of error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud of error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, of the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance. Under Section 143(3)(i) of the Act, we are also responsible for

  expressing our opinion on whether the company has adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosers are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

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other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

iii. The Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account

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iv. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

v. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation as at 31 March 2020 on its financial position in its standalone financial statements- refer Note no.30 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contract.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

The disclosures in the standalone financial statements regarding holding as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Bhushan Khot
(Partner)
Membership No. 101858
UDIN : 20101858AAAACA7067

Place: Mumbai
Date: 23rd July 2020

BHUSHAN KHOT & CO
Chartered Accountants

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Email: bhushan@cabkc.in

Annexure A to the Independent Auditor's Report

With reference to the Annexure A reference to in the Independent Auditor's Report to the member of the Company on the standalone financial statements for the year ended 31St March 2020, we report the following:

1. (a) The Company has maintained but not updated fixed assets register and recorded any additions or disposal of fixed assets in the books of accounts on the basis of purchase or sales invoices only.

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

   (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

2. The inventory has been physically verified by the management during the year. In our opinion, The frequency of such verification is reasonable. The Company has maintained proper record of inventory. The discrepancies noticed on verification between the physical stock and the book record were not material.

3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to company, Firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) (b) and (c) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loan given, investments made, guarantees and securities given.

5. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act. Any other relevant provisions of the Act and the relevant rules framed thereunder.

6. The Central Governments has not prescribed the maintained of cost records under Section 148 of the Act for any of the services rendered by the Company.

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7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee State Insurance, Income tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues have generally been deposited but not accurately during the year by the Company with the appropriate authorities.

   (b) According to the information and explanation given to us, it is not feasible for us to comment on timely payment in respect of Provident fund, Employee State Insurance, Income tax, Goods and Service tax, Profession Tax, Cess and other material statutory dues were in arrears as at 31 March 2020 belongs to a period for more than Six months from the date they become payable.

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

Name of the Statue	**Nature of the Dues**	**Amount(in Lakh)**	**Period**	**Forum where dispute is pending**
The Financial Act,1994	Service Tax	625.79	F Y 2007-2008, to 2014-15	Customs, Excise and Service Tax Appellate Tribunal.
		763.62	F Y 2015-16	

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayments of loans or borrowings to financial institutions, banks, government and there are no dues to debenture holders during the year.

9. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer and the term loans during the year for the purposes for which they were raised. Pending utilization of the funds raised through Initial Public Offer, the funds were temporarily kept under Fixed Deposit but were ultimately utilized for the stated end-use

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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11. To the best of our knowledge and according to the information and explanation given to us and based on examination of the record of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Scheduled V tot the Act.

12. According to the information and explanation given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

13. According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transaction have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year, Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

15. According to the information and explanation given to us and based on our examination of the record of the Company, the Company has not entered into any non-cash transaction with its directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.

16. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Bhushan Khot & Co.
Chartered Accountants
FRN 116888 W

CA Bhushan Khot
Partner
Mem. No. 101858
UDIN : 20101858AAAACA7067
Place: Mumbai
Date: 23rd July 2020

BHUSHAN KHOT & CO
Chartered Accountants

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"ANNEXURE B" TO INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of KHFM Hospitality and Facility Management Services Ltd as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material aspects, have an adequate internal financial controls with reference to financial statements and such internal financials controls peculiarity to updation of maintained fixed assets register, factual allocation and disbursement of expenses against site advances, unfit documentation and inappropriate payroll reconciliation with actual payments of employee benefit expenses, sustentation of credit and collection policy for trade receivables and procedure of collecting external balance for verification of variations confirmation with reference to standalone financial statements were operating effectively as at 31st March,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bhushan Khot
(Partner)
Membership No. 101858
UDIN : 20101858AAAACA7067
Place: Mumbai
Date: 23rd July 2020

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

BALANCE SHEET AS AT 31ST MARCH, 2020

All Amount in INR

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
A	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	3	1,17,11,990	1,26,00,014
	(b) Right- of - Use Assets			
	(c) Capital Work in Progress		-	-
	(d) Investment properties	3(a)	65,20,407	68,54,207
	(e) Goodwill			
	(f) Other Intangible Assets		-	-
	(g) Intangible Assets Under Development	3	1,40,000	42000
	(h) Biological assets other than Bearer plants		-	-
	(i) Financial Assets			
	(i) Investments	4	5,00,000	5,00,000
	(ii) Loans			
	(iii) Other Financial Assets	5	8,02,74,252	3,78,92,697
	(j) Deferred Tax Assets (Net)	6	31,81,805	8,18,261
	(k) Other Non-Current Assets		-	-
	SUB-TOTAL		**10,23,28,453**	**5,87,07,179**
	Current Assets			
	(a) Inventories	7	92,97,511	3,29,001
	(b) Financial Assets			
	(i) Investments			
	(i) Trade Receivables	8	36,11,05,427	40,10,98,665
	(ii) Cash and Cash Equivalents	9	7,18,03,688	4,17,86,421
	(iii) Bank Balances other than (ii) above		-	-
	(iv) Other Financial Assets		-	-
	(c) Current Tax Assets (Net)	10	1,30,56,899	8,66,235
	(d) Other Current Assets	11	24,95,27,821	7,10,36,917
	SUB-TOTAL		**70,47,91,345**	**51,51,17,239**
	Non Current Assets Classified as Held for sale		**-**	**-**
	Total Assets		**80,71,19,799**	**57,38,24,418**
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	12	9,69,90,000	6,75,00,000
	(b) Other Equity	13	25,02,37,876	13,71,30,086
			34,72,27,876	**20,46,30,086**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	6,86,89,602	7,91,43,484
	(ii) Other Financial Liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax Liabilities (Net)		-	-
	(d) Other Non-Current Liabilities	15	-	3,45,631
			6,86,89,602	**7,94,89,115**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	19,68,03,689	17,09,06,408
	(ii) Trade Payables	17	5,98,34,479	2,43,66,435
	(iii) Other Financial Liabilities	18	6,44,08,936	5,39,66,757
	(c) Provisions	19	3,88,90,094	1,64,01,219
	(b) Other Current Liabilities	20	3,12,65,122	2,40,64,398
			39,12,02,320	**28,97,05,217**
	Total Equity and Liabilities		**80,71,19,799**	**57,38,24,418**

Significant Accounting Policies
See accompanying Notes to the Financial Statements **1-47**
As per our Attached report of even date

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

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

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Sujata Ravindra Hegde
Director
DIN No. - 01829352

Bhushan Khot
Partner
M. No. 101858
UDIN : 20101858AAAACA7067
Place: Mumbai
Date: 23rd July, 2020

Naveen Carvallo
Chief Financial Officer
Place: Mumbai
Date: 23rd July, 2020

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

All Amount in INR

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from Operations	21	1,15,24,89,456	78,00,11,978
II	Other Income	22	68,92,197	20,49,075
III	**Total Revenue (I+II)**		**1,15,93,81,653**	**78,20,61,053**
IV	**EXPENSES**			
	Employee Benefits Expense	23	58,12,94,070	47,16,53,457
	Finance Costs	24	4,30,49,407	4,97,08,898
	Depreciation and Amortization Expense	25	28,31,821	31,79,641
	Other Expenses *	26	48,24,76,098	22,18,69,899
	Total Expenses (IV)		**1,10,96,51,396**	**74,64,11,895**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**4,97,30,257**	**3,56,49,158**
VI	Exceptional Items		-	-
VII	Profit/(Loss) before Tax (V-VI)		4,97,30,257	3,56,49,158
VIII	**Tax Expense:**	27		
	(1) Current Tax		90,96,814	99,49,257
	(2) Reversal of Provision of Income Tax		(32,71,206)	11,29,460
	(3) Deferred Tax		(87,282)	(17,41,685)
	Total Tax Expense		**57,38,326**	**93,37,032**
IX	**Profit (Loss) for the period (VII-VIII)**		**4,39,91,931**	**2,63,12,126**
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		6,18,337	(8,90,546)
	(2) Income tax relating to items that will not be reclassified to Statement of Profit & Loss		(1,72,021)	2,47,750
	(3) Items that will be reclassified subsequently to Statement of Profit & Loss			
XI	**Total Comprehensive Income for the period (IX+X)**		**4,35,45,615**	**2,69,54,922**
XII	Earnings per Equity Share	28		
	(1) Basic		4.54	3.99
	(2) Diluted		4.54	3.99

* Other Expenses include allowances for Bad & Doubtful Debts

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1-47

As per our Attached report of even date

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

Bhushan Khot
Partner
M. No. 101858
UDIN : 20101858AAAACA7067

Place: Mumbai
Date: 23rd July, 2020

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

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Suajata Ravindra Hegde
Director
DIN No. - 01829352

Naveen Carvallo
Chief Financial Officer
Place: Mumbai
Date: 23rd July, 2020

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

STATEMENT OF CHANGES IN EQUITY

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

Balance at April 1, 2018	Fresh issue/allotment during the year	Balance at March 31, 2019
6,75,00,000	-	6,75,00,000

Balance at April 1, 2019	Fresh Issue/allotment during the year	Balance at March 31, 2020
6,75,00,000	2,94,90,000	9,69,90,000

B Other Equity **All Amount in INR**

Particulars	Reserve and Surplus			Items of other comprehensive income	Total Equity
	Securities Premium	Retained Earnings	Share Issue expenses	Remeasurements of defined benefit Plans	
Opening Balance as at 1st April, 2018	**-**	**11,62,83,262**	**(10,75,500)**	**-**	**11,52,07,762**
Profit/(Loss) for the year	-	2,63,12,126	-		2,63,12,126
Less: Bonus Issue	-				-
Other Comprehensive income/(losses)	-	-	-	6,42,796	6,42,796
Total Comprehensive Income for the year	**-**	**2,63,12,126**	**-**	**6,42,796**	**2,69,54,922**
Dividend (including tax)	-	-		-	-
IPO/Share issue expenses		-	(50,32,598)	-	(50,32,598)
Closing Balance as at 31st March, 2019	**-**	**14,25,95,388**	**(61,08,098)**	**6,42,796**	**13,71,30,086**
Adjustment of prior period errors	-	5,77,775	-	-	5,77,775
Restated Opening balance as at 1st April, 2019	**-**	**14,31,73,163**	**-**	**-**	**13,77,07,861**
Profit /(Loss) for the period	-	4,39,91,931	-		4,39,91,931
Other Comprehensive income /(losses)	-	-	-	(4,46,316)	(4,46,316)
Total Comprehensive Income for the Year	**-**	**4,39,91,931**	**-**	**(4,46,316)**	**4,35,45,615**
Issue of shares	7,66,74,000	-	(41,19,532)	-	7,25,54,468
Transfer from share issue expenses to securities premium	(79,51,369)	-	1,02,27,630	-	22,76,261
Dividend (including tax)	-	(58,46,329)	-	-	(58,46,329)
Closing Balance as at 31st March 2020	**6,87,22,631**	**18,13,18,765**	**-**	**1,96,480**	**25,02,37,876**

As per our Attached report of even date

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

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

Bhushan Khot
Partner
M. No. 101858
UDIN : 20101858AAAACA7067

Place: Mumbai
Date: 23rd July, 2020

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Sujata Ravindra Hegde
Director
DIN No. - 01829352

Naveen Carvallo
Chief Financial Officer
Place: Mumbai
Date: 23rd July,2020

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

CASH FLOW STATEMENT

All Amount in INR

	Particulars	As at 31st March, 2020	As at 31st March, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before Tax	4,97,30,257	3,56,49,158
	Adjustment for:		
	Depreciation and Amortization Expense	28,31,821	31,79,641
	Finance cost	4,30,49,407	4,97,08,898
	Interest paid on Security Deposit	-	-
	Allowance for Doubtful Debts	1,70,70,903	81,85,687
	Balances Written Back	-	-
	Reversal of Allowance for Doubtful Debts	-	-
	Unbilled revenue during the year	(20,56,04,617)	-
	Profit on sale of Property, Plant & Equipment	-	-
	Interest Income on Security Deposit	-	-
	Interest Income on Fixed Deposit and Income Tax Refund	(47,65,232)	(10,84,174)
	Operating Profit before Working Capital changes	**(9,76,87,460)**	**9,56,39,210**
	Adjustment for:		
	(Increase)/decrease in Trade Receivables	2,29,22,335	(10,93,56,777)
	(Increase)/decrease in Other Current Financial Assets	-	-
	(Increase)/decrease in Non-Current Loans	-	-
	(Increase)/decrease in Other Non-Current Financial Assets	(4,24,22,117)	(10,86,947)
	(Increase)/decrease in Other Current Assets	1,81,94,256	4,92,86,809
	(Increase)/decrease in Non-Current Assets	-	-
	(Increase)/decrease in Inventories	(89,68,510)	1,12,753
	Increase/(decrease) in Trade-Payable	3,54,68,044	78,73,465
	Increase/(decrease) in Other Current Financial Liability	3,63,39,459	7,49,75,663
	Increase/(decrease) in Non Current Liability	(3,45,631)	1,91,063
	Increase/(decrease) in Provision	2,24,88,875	1,51,12,334
	Increase/(decrease) in Other Non-Current Financial Liability	(1,04,53,881)	(4,14,40,169)
	Increase/(decrease) in Current Liabilitty	72,00,725	(1,01,89,144)
	Increase/(decrease) in Non-Current Liabilitty		
	Cash Generated from Operations	**(1,72,63,906)**	**8,11,18,260**
	Direct Taxes	(89,24,793)	(1,01,45,852)
	Net Cash from Operating Activities (A)	**(2,61,88,699)**	**7,09,72,408**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment	(17,07,997)	(14,34,783)
	Sale of Property, Plant & Equipment	-	-
	Fixed Deposits placed/matured/realised	(87,85,651)	(1,06,11,519)
	Interest Received	47,65,232	10,84,174
	Net Cash used in Investing Activities (B)	**(57,28,416)**	**(1,09,62,128)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest Expenses	(4,30,49,407)	(4,97,08,898)
	Dividend Paid	(48,49,500)	-
	Dividend Distribution Tax	(9,96,829)	-
	Proceeds from Issue of Equity Instruments	10,61,64,000	-
	Payment For share issue related costs	(41,19,532)	(50,32,598)
	Net Cash from Financing Activities (C)	**5,31,48,731**	**(5,47,41,496)**
	Net Changes in Cash and Cash Equivalents (A+B+C)	**2,12,31,616**	**52,68,784**
	Opening Balance of Cash and Cash Equivalents	**1,98,65,797**	**1,45,97,013**
	Closing Balance of Cash and Cash Equivalents	**4,10,97,413**	**1,98,65,797**

Notes:-

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

2 Cash and Cash Equivalents at the year end comprises

Cash on Hand	41,13,341	46,78,223
In Current Account	3,69,84,072	1,51,87,575
	4,10,97,413	**1,98,65,797**

As per our Attached report of even date

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

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

Bhushan Khot
Partner
M. No. 101858
UDIN : 20101858AAAACA7067

Ravindra Malinga Hegde
Director
DIN No. - 01821002

Sujata Ravindra Hegde
Director
DIN No. - 01829352

Place: Mumbai
Date: 23rd July, 2020

Naveen Carvallo
CFO
Place: Mumbai
Date: 23rd July, 2020

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

CIN – U74930MH2006PLC159290

Notes to Financial Statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

The Company

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

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

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

Nature of Operations

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

2. STATEMENT OF COMPLIANCE

These 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.

2.1. BASIS OF PREPARTION and PRESENTATION:

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

1. Defined Benefit Plans – Plan Assets 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.

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

The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 23rd July, 2020.

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

2.2. USE OF ESTIMATION:

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

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

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

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

2.3. 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 from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised on the basis of actual service provided vis-à-vis proportion of the total services to be provided. Few contracts include multiple performance obligations, and in that case the transaction price will be allocated to each performance obligation. Where these are not directly observable, they are estimated based on expected cost-plus margin. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments by customer exceeds the services rendered, a contract liability is recognised. If the contract includes payment clause on the basis of time lapse (hourly or monthly etc.),revenue is recognised to the extent the Company has a right to invoice. In such cases, customers are invoiced on a monthly basis and consideration is payable when invoiced.

(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.

(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.

2.4.TRANSACTION AND BALANCES

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

Transactions and Balances

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

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

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

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

2.5. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

2.6. 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 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.

(iii) Minimum Alternate Taxes(MAT)

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

2.7. 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.

2.8. PROPERTY, PLANT AND EQUIPMENT

Property, Plant & Equipment are stated at cost, plus non-recoverable taxes, trade discount & rebated less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

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

Other Indirect Expenses, 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 dislosed under Capital Work – in – Prigress.

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

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

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

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

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

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

2.9. 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.

2.10. 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.

2.11. PROVISIONS, CONTINGENT ASSETS & CONTINGENT LIABILITIES

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

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

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

2.12. 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 IndAS 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:		
Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Present value of funded obligations	18,55,818	3,89,766
Fair value of plan assets	(19,84,263)	-
Net Liability (Asset)	(1,28,445)	3,89,766

Profit and loss for the period:		
Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Service Cost:		
Current Service Cost	8,45,304	38,116
Past Service Cost and loss/(gain) on curtailments and settlements	-	-
Net Interest Cost	(14,477)	88,811
Total included in ''Employee benefit expense"	**8,30,827**	**1,26,927**

Other comprehensive Income for the period		
Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2,39,741	-

Due to change in demographic assumption	(964)	-
Due to experience adjustments	3,51,959	(8,90,546)
Return on plan assets excluding amounts included in interest income	27,601	-
Amounts recognized in Other Comprehensive (Income) / Expense	6,18,337	(8,90,546)

Reconciliation of defined benefit obligation		
Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Opening Defined Benefit Obligation	3,89,766	11,53,385
Current service cost	8,45,304	38,116
Interest cost	30,012	88,811
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2,39,741	-
Due to change in demographic assumption	(964)	-
Due to experience adjustments	3,51,959	(8,90,546)
Closing Defined Benefit Obligation	**18,55,818**	**3,89,766**

Reconciliation of Plan assets		
Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Interest Income	44,489	-
Return on plan assets excluding amounts included in interest income	(27,601)	-

Contributions by employer	13,89,600	-
Adjustment to the Opening Fund	5,77,775	
Closing value of plan assets	19,84,263	-

The assumptions used in accounting for the defined benefit plan are set out below:		
Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Discount rate	6.85%	7.70%
Rate of increase in compensation levels of covered employees	6.60%	6.60%
Withdrawal rates	5.00% pa at younger ages reducing to 1.00% p.a at older ages	
Rate of return on Plan Assets	6.85%	-

2.13. 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.

(f) 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.

2.14. CASH & CASH EQUIVALENTS

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

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

2.15. 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.

2.16. 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.

2.17. 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.

2.18. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1. 2020. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

2.19. LEASES – TRANSITION TO IND AS 116

Company as leasee

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases.

Operating Lease

The Company has used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application. The Company has entered into short term lease contracts for which Ind As 116 has specified a simplified approach. A short term lease is a lease that, at the date of commencement, has a term of 12 months or less. Company has elected to treat short- term leases by recognizing the lease rentals as an expense over the lease term rather than recognizing a "right of use asset" and a "lease liability" in accordance with Ind As 116.

Finance lease

The Company doesn't have any lease that was classified as finance lease applying Ind AS 17. The Company is not required to make any adjustments on transition to Ind AS 116 for such leases.

Company as lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company has given premises on operating leases. These lease arrangements range for a period between eleven months to three years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

The total future minimum lease rentals receivable at the Balance Sheet date is as under

Lease rent receivable	
Within One year	Rs 5,95,000/-
After one year but not more than 5 years	-
More than five years	-
Total	Rs 5,95,000/-

Impact of Covid-19 on lease

The leases that the Company has entered with lessors towards properties are short term in nature and no changes in terms of those leases are expected due to the COVID-19.

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

NOTES TO FINANCIAL STATEMENTS

All Amount in INR

3 PROPERTY, PLANT & EQUIPMENT

Description	Furniture & Fixture	Computers	Equipments $	Motor Vehicles	Plant & Machinery *	Total	Intangible Assets Under Development
Gross Carrying Value as at 1st April 2018	**7,32,530**	**6,60,836**	**3,75,561**	**51,55,908**	**2,86,92,733**	**3,56,17,568**	
Additions	28,900	83,921	88,482	1,20,018	10,71,462	**13,92,783**	
Disposals	0	0	0	0	0	**0**	
Gross Carrying Value as at 31 March 2019	**7,61,430**	**7,44,757**	**4,64,043**	**52,75,926**	**2,97,64,195**	**3,70,10,351**	**42,000**
Additions	0	3,01,352	86,577	6,96,500	5,25,568	16,09,997	98,000
Disposals						0	
Gross Carrying Value as at 31 March 2020	**7,61,430**	**10,46,109**	**5,50,620**	**59,72,426**	**3,02,89,763**	**3,86,20,348**	**1,40,000**
Accumulated Depreciation							
Balance as at 31 March 2018	**5,09,402**	**5,51,561**	**3,55,277**	**49,82,004**	**1,51,83,340**	**2,15,81,584**	
Additions	62,869	65,584	7,836	71,973	26,20,491	28,28,753	
Disposal	0	0	0	0	0	0	0
Balance as at 31 March 2019	**5,72,271**	**6,17,145**	**3,63,113**	**50,53,977**	**1,78,03,831**	**2,44,10,337**	
Additions	48,973	1,19,251	14,103	1,32,078	21,83,616	24,98,021	
Disposal						0	0
Balance as at 31 March 2020	**6,21,244**	**7,36,396**	**3,77,216**	**51,86,055**	**1,99,87,447**	**2,69,08,358**	**0**
Net Carrying Value							
As at 31 March 2019	**1,89,159**	**1,27,612**	**1,00,930**	**2,21,949**	**1,19,60,364**	**1,26,00,014**	**42,000**
As at 31 March 2020	**1,40,186**	**3,09,713**	**1,73,404**	**7,86,371**	**1,03,02,316**	**1,17,11,990**	**1,40,000**

* Registered Equitable Mortgage and First and exclusive charge and security by way of hypothecation of machineries for Apna Sahakari Bank Ltd Loan amount of Rs 269 Lacs
$ Includes office Equipments
Intangible Assets Under Development includes Rs 1,40,000/- (Previous Year 42,000) on account of Advance given for Mobile Application

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3(a)	**INVESTMENT PROPERTIES**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Gross Carrying Value	99,63,420	99,63,420
	Accumulated depreciation	34,43,013	31,09,213
	Net Carrying Value	**65,20,407**	**68,54,207**

ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTIES	**As as 31st March, 2020**	**As at 31st March, 2019**
Accumulated depreciation at the beginning of the year	31,09,213	27,58,325
Addition	3,33,800	3,50,888
Accumulated depreciation at the end of the year	**34,43,013**	**31,09,213**

i) Amount recognised in profit and loss for investment properties	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Rental Income	9,85,000	9,15,000
Direct operating expenses from property that generated Rental Income	-	-
Direct operating expenses from property that didn't generated Rental Income	1,75,126	1,77,957
Profit from investment properties before depreciation	8,09,874	7,37,043
Depreciation	3,33,800	3,50,888
Profit from investment properties	4,76,074	3,86,155

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. Disclosure on future rent receivable is included in note 2.3.18

iv) Fair Value	**As as 31st March, 2020**	**As at 31st March, 2019**
Investment Property	**1,74,75,000**	**1,74,75,000**

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 as 31st March, 2020**	**As at 31st March, 2019**
	Investment measured at Fair Value through Other Comprehensive Income		
	In Equity Shares of Other Companies		
	Unquoted, Fully Paid up		
	Shares in Apna Sahakari Bank	5,00,000	5,00,000
	(20000 Shares of Rs.25/- each fully paid up)		
	Total	**5,00,000**	**5,00,000**

5	**OTHER FINANCIAL ASSETS**	**As as 31st March, 2020**	**As at 31st March, 2019**
	(Unsecured, considered good, unless stated otherwise)		
	NSE Exchange Deposit	11,62,300	11,62,300
	Security Deposits & Retension Money	7,45,17,828	3,67,30,397
	Service tax Appeal Deposit	44,65,679	-
	Net defined benefit plan (Gratuity plan asset)	1,28,445	-
	Total	**8,02,74,252**	**3,78,92,697**

6	**DEFERRED TAX ASSETS (NET)**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Deferred Tax Assets / (Liabilities) in relation to		
	Deferred Tax Assets		
	Property, Plant & Equipment	-	-
	Provision for Employee Benefits	-	1,08,432
	Allowance for Bad & Doubtful Debts	26,17,949	22,77,258
	Share Issue expenses/IPO Expenses	22,76,261	-
	Sub-Total (A)	**48,94,211**	**23,85,690**
	Deferred Tax Liabilities		
	Property, Plant & Equipment	7,05,412	7,95,373
	Interest / Processing Fees Ind As Adjustments	10,06,994	7,72,056
	Sub-Total (B)	**17,12,406**	**15,67,429**
	Deferred Tax Assets / (Liability) (Net) (A-B)	**31,81,805**	**8,18,261**
		-	**-**

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The movement on the Deferred Tax Asset is as follows:

Particluars	As as 31st March, 2020	As at 31st March, 2019
Balance at the Opening of Reporting period - Deferred Tax Asset	**8,18,261**	**(9,23,424)**
Allowance for Bad & Doubtful Debts	3,40,691	22,77,258
Property, Plant & Equipment	89,961	1,32,200
Provision for Employee Benefits	(1,08,432)	(2,12,439)
Interest / Processing Fees Ind As Adjustments	(2,34,938)	(4,55,334)
Recognised in Profit & Loss A/c	87,282	17,41,685
Adjusted against share issue expenses/IPO expenses in equity		
Share issue expenses/IPO expenses	22,76,261	-
Total Movement of Deferred Tax Asset	**23,63,544**	**17,41,685**
Charge to Other Comprehensive Income		
Remeasurement of Defined Benefit Plans	-	-
Balance at the Closing of Reporting period- Deferred Tax Asset	**31,81,805**	**8,18,261**

7	**Inventories**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Raw Materials	-	-
	Work-in-progress	-	-
	Finished Goods	-	-
	Traded Goods	-	-
	Stores & spares	92,97,511	3,29,001
	Total Inventories	**92,97,511**	**3,29,001**

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

8	**TRADE RECEIVABLES**		**As as 31st March, 2020**	**As at 31st March, 2019**
	- Unsecured			
	Considered Good		37,05,15,741	40,92,84,352
	Considered Doubtful		-	-
	- Less:- Allowance for Bad & Doubtful Debts		94,10,314	81,85,687
		Total	**36,11,05,427**	**40,10,98,665**

* Receivables from Related Parties:- (Rs. Nil) [(Previous Year-Rs. Nil)

9	**CASH AND BANK BALANCES**		**As as 31st March, 2020**	**As at 31st March, 2019**
	Cash and cash equivalents			
	(a) Balances with Banks		3,69,84,072	1,51,87,575
	(b) Cash on hand		41,13,341	46,78,223
			4,10,97,413	**1,98,65,797**
	Bank Balances other than above carried at Amortised Cost *			
	(a) Deposit with original maturity of more than 3 months but less than 12 months		-	-
	(b) Margin money deposit under lien		3,07,06,275	2,19,20,624
			3,07,06,275	**2,19,20,624**
		Total	**7,18,03,688**	**4,17,86,421**

10	**CURRENT TAX ASSETS (NET)**		**As as 31st March, 2020**	**As at 31st March, 2019**
	Advance Income Tax		1,30,56,899	8,66,235
	(net of Provisions)			
		Total	**1,30,56,899**	**8,66,235**

11	**OTHER CURRENT ASSETS**		**As as 31st March, 2020**	**As at 31st March, 2019**
	(a) Advances to Staff		-	-
	(Unsecured Considered Good)			
	(b) Loans & Advances		7,05,837	6,37,520
	(c) Advances against site		4,21,58,859	6,83,81,102
	(d) Balance with Government Authorities		-	-
	(e) Prepaid Expenses		10,58,507	20,18,295
	(f) Contract Assets		20,56,04,617	-
		Total	**24,95,27,821**	**7,10,36,917**

Changes in Contract Assets are as follows:	**As as 31st March, 2020**	**As at 31st March, 2019**
Contract Assets at the beginning of the year	-	-
Revenue Recognised during the year	1,15,24,89,456	78,00,11,978
Invoices raised during the year	(94,68,84,839)	(78,00,11,978)
Contract Assets at the end of the year	**20,56,04,617**	**-**

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12	SHARE CAPITAL	As as 31st March, 2020	As at 31st March, 2019
	(a) Authorised		
	1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000	12,00,00,000
	(Previous Year 7,50,000 Equity Shares of Rs. 10 each)		
	Total	12,00,00,000	12,00,00,000.00
	(b) Issued, Subscribed and Paid Up		
	96,99,000 Equity Shares of Rs. 10 each	9,69,90,000	6,75,00,000
	(Previous Year 67,50,000 Equity Shares of Rs. 10 each)		
	Total	9,69,90,000	6,75,00,000
	(c) Reconciliation of the Number of Equity Shares		
	Shares outstanding at the beginning of the year	67,50,000	67,50,000
	Shares issued during the year	29,49,000	-
	Shares bought back during the year	-	-
	Shares outstanding at the Closing of the year	96,99,000	67,50,000

(d) Terms and Rights attached to Equity Shareholders

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

(e) Shareholders holding more than 5% Equity Shares

	As as 31st March, 2020	As at 31st March, 2019
Equity Shares of Rs.10 each fully paid held by-	**No. of shares**	**No. of shares**
(i) Ravindra Malinga Hegde	58,94,785	58,04,785
(ii) Sujata Ravindra Hegde	9,51,000	9,45,000

13	OTHER EQUITY	As as 31st March, 2020	As at 31st March, 2019
	(a) Security Premium		
	Opening Balance	-	-
	add : issue of shares	7,66,74,000	-
	less : Bonus issue	-	-
	less: Share issue expenses/IPO Expenses net of Tax benefit	(79,51,369)	-
	Closing balance	**6,87,22,631**	**-**
	(b) Retained Earnings		
	Balance at the beginning of the Financial Year	**14,25,95,388**	**11,62,83,262**
	Adjustment of prior period expense	5,77,775	**-**
	Restated balance at the beginning of the Financial Year	**14,31,73,163**	**-**
	Profit during the year transferred	4,39,91,931	2,63,12,126
	Less: Dividend Paid	(48,49,500)	-
	Tax on Dividend	(9,96,829)	-
	Utilisation for Bonus Issue	-	-
	Balance at the end of the Financial Year	**18,13,18,765**	**14,25,95,388**
	Balance consists of Surplus retained from earned profit after payment of dividend.		
	(c) Share isuue expenses		
	Opening Balance	**(61,08,098)**	**(10,75,500)**
	Add : expenses incurred	(41,19,532)	(50,32,598)
	Less : Transfer to Securities Premium Account	1,02,27,630	
	Closing Balance	**-**	**(61,08,098)**
	Total Reserve & Surplus (a)+(b)+(c)	**25,00,41,396**	**13,64,87,290**
	(d) Items of Other Comprehensive income		
	Remeasurements of defined benefit plans		
	Opening Balance	6,42,796	-
	Add: Current year Income/(expense)	(4,46,316)	6,42,796
	Closing balance	**1,96,480**	**6,42,796**
	Total Other Equity (a)+(b)+(c)+(d)	**25,02,37,876**	**13,71,30,086**

14	Non-Current Liabilities	As as 31st March, 2020	As at 31st March, 2019
	(a) Financial Liabilities		
	(i) Borrowings		
	1-Secured loans	4,56,05,117	5,50,08,795
	2-Unsecured loans	2,30,84,486	2,41,34,689
	TOTAL	**6,86,89,602**	**7,91,43,484**

Secured Loans are secured against property, plant and Equipments and Fixed Deposits (Refer Note 27)

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NOTES TO FINANCIAL STATEMENTS

15	**OTHER NON-CURRENT LIABILITIES**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Provision for gratuity	-	3,45,631
	Total	**-**	**3,45,631**

16	**Current Borrowings**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Working capital		
	from banks & financial institutions-Secured		
	Apna Sahakari Bank Ltd	18,11,04,986	15,56,51,255
	Deutsche Bank	1,20,21,449	1,08,77,395
	From Related Parties		
	Ravindra Hegde	36,29,254	42,77,758
	Sujata Hegde	48,000	1,00,000
		19,68,03,689	**17,09,06,408**

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

17	**TRADE PAYABLES**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Financial Liabilities carried at Amortised Cost		
	(a) Due to Micro, Small and Medium Enterprises	-	-
	(b) Others	-	-
	(i) Related Parties	-	7,26,314
	(ii) Other Parties	5,98,34,479	2,36,40,121
	Total	**5,98,34,479**	**2,43,66,435**

18	**OTHER FINANCIAL LIABILITIES**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Financial Liabilities carried at Amortised Cost		
	(a) Current Maturity of long term debt	4,71,08,666	4,39,05,061
	(b)Unclaimed Dividend	4,500	-
	(c)Subcontractor EMD	1,69,95,770	97,61,696
	(d) Deposit- premises	3,00,000	3,00,000
	Total	6,44,08,936	5,39,66,757

19	**PROVISIONS (CURRENT)**	**As as 31st March, 2020**	**As at 31st March, 2019**
	Provision for taxes		11,80,615
	Provision for Gratuity	-	44,135
	Provision for Employee benefit expenses	3,88,90,094	1,51,76,469
	Total	3,88,90,094	1,64,01,219

20	**OTHER CURRENT LIABILITIES**	**As as 31st March, 2020**	**As at 31st March, 2019**
	(a) Advances from customer		
	(b) Statutory Dues	2,98,79,670	2,36,79,398
	(c) Others	13,85,452	3,85,000
	Total	**3,12,65,122**	**2,40,64,398**

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All Amount in INR

21	**REVENUE FROM OPERATIONS**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	Contracted Price (Services)	1,15,27,92,604	78,03,38,983
	Less : Reduction towards variable consideration components	3,03,148	3,27,005
	Total	**1,15,24,89,456**	**78,00,11,978**

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

Impact of Covid-19

The Company has assessed that customers in Hospitality sector are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Facility management sector would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-of-completion basis. The management has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised Service -Level Agreements in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

22	**OTHER INCOME**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(a) Rental Income	9,85,000	9,15,000
	(b) Reimbursement of Interest & Issue Exp from LLPs	-	
	(c) Miscellaneous Income	-	-
	(d) Profit on Sale of Property, Plant & Equipments	-	-
	(e) Reversal of Allowance for Bad & Doubtful Debts	-	-
	(f) Dividend	50,001	49,901
	(g) Interest Income earned on Financial Assets carried at Amortised Cost	-	
	(i) Interest on Bank Fixed Deposits	47,65,232	10,84,174
	(ii) Interest on Security Deposit	-	-
	(h) Investment carried at Fair Value through P&L	-	-
	(i) Fair Value Gain on Mutual Funds	-	-
	(i) Remission of Liability	10,91,964	-
	Total	**68,92,197**	**20,49,075**

23	**EMPLOYEE BENEFITS EXPENSES**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(a) Salaries, Wages and Bonus	50,73,12,147	38,74,64,815
	(b) Contribution to Provident Fund and Other funds	7,31,60,433	8,21,50,064
	(c) Staff Welfare expenses	8,21,490	20,38,578
	Total	**58,12,94,070**	**47,16,53,457**

24	**FINANCE COST**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(a) Interest Expenses for financial liabilities measured at amortised cost	4,30,49,407	4,97,08,898
	Total	**4,30,49,407**	**4,97,08,898**

25	**DEPRECIATION**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	Depreciation on property, plant and equipment	24,98,021	28,28,753
	Depreciation on investment property	3,33,800	3,50,888
	Amortisation of technical know-how	-	-
	Amortisation of leasehold land	-	-
	Total	**28,31,821**	**31,79,641**

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NOTES TO FINANCIAL STATEMENTS

26	**OTHER EXPENSES**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	Direct Expenses		
	Site Expenses	18,27,49,847	9,68,27,623
	Labour Charges	19,14,67,669	4,65,28,108
	Consumption of stores, spares & Consumables	3,82,17,086	4,76,67,676
	Uniform Expenses	10,45,077	16,32,698
	Indirect Expenses		
	Advertising expenses	6,46,556	8,25,489
	Audit Fees	11,39,500	3,00,000
	Blocked credit	32,27,905	-
	Computer, Software & Printer Expenses	86,350	36,048
	Commission	28,000	-
	Donation	87,004	95,503
	Deductions & Penalty	1,17,73,235	-
	GST / Service Tax	45,34,496	4,21,413
	Insurance	43,04,622	15,23,152
	Miscellaneous Expenses	12,06,696	17,76,961
	Office Expenses	8,38,429	23,16,190
	Postage & courier	76,872	62,469
	Power & Fuel	19,05,572	14,48,616
	Legal & Professional Charges	51,41,659	12,39,160
	Interest late fees and penalty(GST, PF, ESIC)	4,59,107	-
	TDS Interest late fees and short deduction	1,79,218	-
	Printing & Stationery	3,28,449	6,61,933
	Rent Including Lease Rentals	29,24,743	9,44,700
	Repair & Maintenance	32,36,905	22,14,229
	Bad Debts	5,99,923	42,027
	Allowance for Bad & Doubtful Debts	1,70,70,903	81,85,687
	Tender Fees	3,56,918	4,97,378
	Telephone Charges	1,90,760	1,82,309
	Transport Charges	66,72,618	49,07,555
	Travelling and Conveyance	19,79,979	15,32,976
			-
	Total	**48,24,76,098**	**22,18,69,899**
	Payment to Auditor		
	As Auditor		
	(a) Statutory Audit Fee	7,00,000	3,00,000
	(b) Tax Audit Fees	1,00,000	-
	(c) Certification and Consultancy Fees	3,39,500	
	(d) Cost Audit Fees		
	Total	**11,39,500**	**3,00,000**

Certification and consultation fees primarily includes certification fees paid to auditors . Statute and regulation permit auditors to certify export / import documents, quarterly fillings, transfer pricing, and bond issuances among others.

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27 INCOME TAX	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Income Tax recognized in Statement of Profit & Loss		
Current Tax Expenses	90,96,814	99,49,257
Tax of the Earlier Years	(32,71,206)	11,29,460
Deferred Tax Expenses	(87,282)	(17,41,685)
Total Tax Expenses recognized in Statement of Profit & Loss	**57,38,326**	**93,37,032**
(b)Tax expenses related to Items recognized in Statement of Other Comprehensive Income		
Remeasurement of Defined Benefit Plans	(1,72,021)	2,47,750
Income tax Charged to Statement of Other Comprehensive Income	(1,72,021)	2,47,750
(b) Reconciliation of Effective Tax Rate		
Profit Before Tax	4,97,30,257	3,56,49,158
Tax at India's stautory Income Tax rate	27.82	27.82
Expected Income tax expense	**1,38,34,958**	**99,17,596**
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	68,95,046	31,661
Tax on Items admissible to be debitted to P/L /Considered under separate head	(1,29,72,787)	-
Tax on Items Considered under other Head of income	13,39,598	-
Current Tax Expense	**90,96,814**	**99,49,257**
Tax on Items recognised in other comprehensive income	(1,72,021)	2,47,750
Total Tax Expenses (A)	**89,24,793**	**1,01,97,007**
Incremental Deferred Tax Liability/(Assets) on account of Property, Plant and Equipment	(89,961)	(1,32,200)
Incremental Tax Liability / (Assets) on account of Financial assets and Other Items	2,678	(16,09,485)
Deferred Tax Provision (B)	**(87,282)**	**(17,41,685)**
Tax Expenses recognised in Statement of Profit & Loss (A + B)	**88,37,511**	**84,55,322**
Effective Tax Rate	**17.77%**	**23.72%**

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Note No 28

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	
Secured Borrowings							**31.3.2020**	**31-03-2019**
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	1750.00	11.50% p.a.	**Primary Security :** Hypothecation of Stock & Book Debts **Collateral Security :** As per Note 1 **Personal Guarantee :**	On Demand	NA	18,11,04,986	15,56,51,255
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	300.00	11.50% p.a.	**Primary Security :** Hypothecation of Stock & Book Debts **Collateral Security :** As per Note 1 **Personal Guarantee :**	On Demand	NA	2,66,57,468	2,90,38,637
Deutsche Bank AG	Working Capital (Cash Credit)	137.50	10.55% p.a.	As per Note 3	On Demand	NA	1,20,21,449	1,08,77,395
Apna Sahakari Bank Ltd.	Business Loan (Loan Against Property)	100.00	11.50% p.a.	As per Note 7	113 EMIs of Rs. 1.45 Lacs each	Nil	71,83,196	80,31,392
	Business Loan (Loan Against Machineries)	100.00	12.00% p.a.	As per Note 8	84 EMIs of Rs. 1.11 Lacs each	Nil	-	3,76,647
	Business Loan (Loan Against Machineries)	19.00	11.50% p.a.	As per Note 9	55 EMIs of Rs. 0.43 Lacs each	Nil	12,34,332	15,81,726
	Business Loan (Loan Against Property)	150.00	11.50% p.a.	As per Note 10	57 EMIs of Rs. 3.36 Lacs each	Nil	43,16,035	76,71,469
	Business Loan (Loan Against Property)	50.00	11.50% p.a.	As per Note 11	56 EMIs of Rs. 1.125 Lacs each	Nil	27,99,145	37,64,475
Deutsche Bank AG	Business Loan (Loan Against Property)	206.00	10.50% p.a.	As per Note 12	180 EMIs of Rs. 2.28 Lacs each	Nil	89,44,838	93,11,625
PNB Housing Finance Ltd.	Business Loan (Loan Against Property)	60.50	11.00% p.a.	As per Note 13	180 EMIs of Rs. 0.69 Lacs each	Nil	53,72,029	55,61,273

Notes

Apna Sahakari Bank Ltd. - Cash Credit Rs. 1750.00 Lacs

1. Collateral Security : Registered Equitable Mortgage of Commercial and Residential Properties held in the name of Directors.

2. Guarantee : Personal Guarantee of Directors, Ravindra Hegde and Sujata Hegde.

Deutsche Bank AG – Overdraft Rs. 137.50 Lacs

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

4. Guarantee : Personal Guarantee of Directors, Ravindra Hegde and Sujata Hegde.

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

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

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

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

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

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

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

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

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

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

Deutsche Bank AG – Business Loan Rs. 260.00 Lacs

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

PNB Housing Finance Limited – Business Loan Rs. 60.50 Lacs

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

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

NOTES TO FINANCIAL STATEMENTS

All Amount in INR

29	**EARNING PER SHARE**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
	(a) Net Profit for Basic & diluted EPS	**4,35,45,615**	**2,69,54,922**
	(b) Number of Equity Shares at the beginning of the year	67,50,000	67,50,000
	(c) Total Number of Shares outstanding at the end of the year	96,99,000	67,50,000
	(d) Weighted Average number of Equity Shares outstanding during the year	96,02,047	67,50,000
	Earning Per Share - Basic (Rs.)	**4.54**	**3.99**
	Earning per share - Diluted (Rs.)	**4.54**	**3.99**
	Face value per share (Rs.)	**10.00**	**10.00**

Rs in Lacs

30	**CONTINGENT LIABILITIES & COMMITMENTS**	**As as 31st March, 2020**	**As at 31st March, 2019**
	(a) Claims against the company not acknowledged as debt:		
	- Service Tax	1,389.40	625.79
	(b) Guarantees		
	(i) Bank Guarantees	1,217.77	972.17
	(ii) Surety Bond (Custom Authorities)	-	-
	(b) Undrawn Commitment		
	(i) Towards Non Convertible Debentures	-	-

31	**THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006**	**As as 31st March, 2020**	**As at 31st March, 2019**
	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, 2020	4,29,120.00	6,70,000.00
	(b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
	(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	(d) the amount of interest accrued and remaining unpaid	-	-
	(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

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

NOTES TO 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) Associate Concerns

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

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

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

Name of Party	Type of relation	Nature of Transaction	Income / Expense/ Asset/ Liability	2019-20 Amount	2018-19 Amount
Palemer Enterprises (Prop Sujata Hegde)	Associate Concerns	**Closing Balance**			
		Unsecured Loans	Liability	48,000	1,00,000
Kalpataru Pest Control (Prop Ravindra Hegde)	Associate Concerns	Interest Expenses	Expense	2,55,000	2,30,841
		Closing Balance			
		Unsecured Loans	Liability	36,29,254	42,77,757
Ravindra Hegde	KMP	Director Remuneration	Expense	36,00,000	36,00,000
		Rent Paid	Expense	9,24,000	8,40,000
		Dividend Paid	Expense/Equity	29,02,393	-
		Closing Balance			
		Expense Payable	Liability	-	7,26,314
		Salary Payable	Liability	50,000	35,000
Saurav Hegde	KMP	Director remuneration	Expense	3,10,000	-
		Dividend paid	Expense	50	-
		Closing Balance			
		Salary payable	Liability	18,565	-
Sujata Hegde	KMP	Director Remuneration	Expense	30,00,000	30,00,000
		Dividend Paid	Expense/Equity	4,72,500	-
		Closing Balance			
		Salary Payable	Liability	12,71,387	3,50,000
Naveen Carvallo	KMP	Salary	Expense	7,20,000	3,58,614
		Closing Balance			
		Salary Payable	Liability	34,480	46,000
Ravi Nevatia	KMP	Sitting fees	Expense	35,000	-
		Closing Balance			
		Sitting fees payable	Liability	12,000	-
Brahm Pal Singh	KMP	Sitting fees	Expense	35,000	-
		Closing Balance			
		Sitting fees payable	Liability	21,500	-
Abhibrat Shankar Kumar Das	KMP	Sitting fees	Expense	30,000	-
		Closing Balance			
		Sitting fees payable	Liability	12,000	-

(c) Terms and conditions of transactions with related parties

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

33. 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.

34. DIVIDEND AND INTEREST INCOME

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

can be measured reliably).

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

35. 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.

36. 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.

37. 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 Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on Remeasurement Recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is Recognised when the 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.

38. 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.

39. 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.

40. POST REPORTING EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

41. FINANCIAL INSTRUMENTS

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

Financial Assets and Liabilities

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

31st March 2020	**Fair value through Profit and Loss**	**Fair value through Other Comprehensive Income**	**Amortised cost**	**Total**
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Loan and Advances	-	-	-	-
Other Non-Current Financial Assets	-	-	8,02,74,252	8,02,74,252
Current Assets:-				
Cash & Cash equivalents	-	-	7,18,03,688	7,18,03,688
Trade receivables	-	-	36,11,05,427	36,11,05,427
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-				
Borrowings	-	-	6,86,89,602	6,86,89,602
Other financial liabilities	-	-	-	-
Current :-				
Borrowings	-	-	19,68,03,689	19,68,03,689
Trade payables	-	-	5,98,34,479	5,97,91,648
Other financial liabilities	-	-	6,44,08,936	6,44,08,936

31st March 2019	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Loan and Advances	-	-	-	-
Other Non-Current Financial Assets	-	-	3,78,92,697	3,78,92,697
Current Assets:-				
Cash & Cash equivalents	-	-	4,17,86,421	4,17,86,421
Trade receivables	-	-	40,10,98,665	40,10,98,665
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-				
Borrowings	-	-	7,91,43,484	7,91,43,484
Other financial liabilities	-	-	-	-
Current :-				
Borrowings	-	-	17,09,06,407	17,09,06,407
Trade payables	-	-	2,43,66,435	2,43,66,435
Other financial liabilities	-	-	5,39,66,757	5,39,66,757

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, 2020 and 31st March, 2019 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.

(c) Financial risk management

i) Risk management framework

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

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

c) The Audit Committee 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 recognised appropriate provision for expected credit loss.

The ageing of trade receivables is as follows:

Particulars	**31st March, 2020**	**31st March, 2019**
Trade Receivables (Unsecured)		
Over six months	11,35,20,067	17,20,70,103
Less than six months	25,69,95,674	23,72,14,249
Less: Allowance for doubtful debts	94,10,314	81,85,687
Total	***36,11,05,427***	***40,10,98,665***

Reconciliation of provision for doubtful debts/expected credit loss:

Particulars	**31st March, 2020**	**31st March, 2019**
Opening Expected Credit Loss	81,85,687	-
Additions	1,70,70,903	81,85,687
Less: Bad debts booked	(1,58,46,276)	-
Closing Expected Credit Loss	94,10,314	81,85,687

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

• Exposure to Liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2020

Particulars	**Due within 12 Months**	**Due within 1 to 3 years**	**More than 3 years**
Financial Liabilities Borrowings	24,02,35,101	3,64,20,222	3,22,69,381
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2019			
Financial Liabilities Borrowings	21,04,33,711	4,29,88,254	3,61,55,230

(d) Market risk

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

(e) Currency risk

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

(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 Company's interest rate position. Various Variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk.

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

Particulars	**31st March, 2020**	**31st March, 2019**
Financial Assets		
Fixed rate instruments Bank Deposits - Current	3,69,84,072	1,51,87,575

- Non Current	3,07,06,275	2.19,20,624
Financial Liabilities		
Fixed rate instruments Borrowing	- -	- -
Variable rate instruments		
Borrowing - Short term borrowing - Long term borrowing	 24,02,35,101 6,86,89,603	 21,04,33,711 7,91,43,484

42. ESTIMATION OF UNCERTAINTIES RELATING TO COVID-19

The Company has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information and market based intelligence to arrive at its estimates.

Trade receivables of Rs 36,11,05,427 as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of service provided, impact immediately seen in the demand outlook of these services and the financial strength of the customers in respect of whom amounts are receivable. The management has specifically evaluated the potential impact with respect to customers in Hospitality sector which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets of Rs 20,56,04,617 as at March 31, 2020 while arriving at the level of provision that is required. Basis on this assessment, the allowance for doubtful trade receivables of as at March 31, 2020 is considered adequate.

The leases that the Company has entered with lessors towards properties are short term in nature and no changes in terms of those leases are expected due to the COVID-19.

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

Considering the Company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, 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.

44. Secured & unsecured loans, certain balances with banks including certain fixed deposits, 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.

45. The Figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make it comparable.

46. SUBSEQUENT EVENTS

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 0.25 per equity share in respect of financial year ended 2019-20 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 24,24,750/

47. **APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved for issue by the Board of Directors on July 23, 2020.

The management and authorities have the power to amend the 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

For Bhushan Khot & Co.
Chartered Accountants
Firm Regn No. 116888W

For KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Ravindra M Hegde
Director
DIN – 01821002

Sujata R Hegde
Director
DIN - 01829352

Bhushan Khot
Partner
M No. 101858
UDIN : 20101858AAAACA7067

Naveen Carvallo
Chief Financial Officer

Place: Mumbai
Date: 23rd July 2020

Place: Mumbai
Date: 23rd July 2020