



KHFM Hospitality and Facility Management Services Limited

Letter of Offer
Tuesday, February 14, 2023
For Eligible Shareholders Only

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

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

Corporate Identification Number: L74930MH2006PLC159290;

Registered Office: 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East), Mumbai -400059, Maharashtra, India;

Contact Number: +91 22 4057 4319; **Contact Person:** Mr. Rahul Krishna Pathak, Company Secretary, Compliance Officer and CFO;

Email-ID: cs@khfm.in; **Website:** www.khfm.in.

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY THE PROMOTERS OF OUR COMPANY ARE RAVINDRA MALINGA HEDGE AND SUJATA RAVINDRA HEDGE.

RIGHTS ISSUE OF UP TO 1,00,22,299 (ONE CRORE TWENTY TWO THOUSAND TWO HUNDRED AND NINETY NINE) PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹24.00/- (RUPEES TWENTY-FOUR ONLY) PER EQUITY SHARE ('ISSUE PRICE') ('RIGHT SHARES') AGGREGATING UPTO ₹24,05,35,176.00/- (RUPEES TWENTY-FOUR CRORES FIVE LAKHS THIRTY FIVE THOUSAND ONE HUNDRED AND SEVENTY SIX ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED ('COMPANY' OR 'ISSUER') IN THE RATIO OF 1 LOT OF RIGHTS SHARE FOR EVERY 1 LOT OF EQUITY SHARE HELD I.E., 3,100 (THREE THOUSAND ONE HUNDRED) RIGHTS SHARES FOR EVERY 3,100 (THREE THOUSAND ONE HUNDRED) EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, FRIDAY, FEBRUARY 10, 2023 ('ISSUE'). THE ISSUE PRICE IS 2.4 TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED '**TERMS OF THE ISSUE**' BEGINNING ON PAGE 146 OF THIS LETTER OF OFFER.

GENERAL RISK

Investment in equity and equity-related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer to '**Risk Factors**' beginning on page 21 of this Letter of Offer before investing in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed and traded on the National Stock Exchange of India Limited. Our Company has received in-principle approval from NSE for listing of the Right Shares pursuant to its letter dated January 20, 2023. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited.

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Murubai - 400093, India.

Telephone: +91 -22 -62638200/22;

Email: rightsissue@bigshareonline.com;

Investor Grievance Email: investor@bigshareonline.com;

Contact Person: Mr. Vijay Surana

Website: www.bigshareonline.com

SEBI Registration Number: INR000001385

ISSUE PROGRAMME

ISSUE OPENING DATE

LAST DATE FOR MARKET
RENUNCIATION*

ISSUE CLOSING DATE**

MONDAY, FEBRUARY 27, 2023

FRIDAY, MARCH 03, 2023

FRIDAY, MARCH 10, 2023

*Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION NO	CONTENTS	PAGE NO
I.	GENERAL	4
	<u>DEFINITIONS AND ABBREVIATIONS</u>	4
	<u>CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA & CURRENCY OF FINANCIAL PRESENTATION</u>	14
	<u>FORWARD LOOKING STATEMENTS</u>	16
II.	SUMMARY OF THE LETTER OF OFFER	18
III.	RISK FACTORS	21
IV.	INTRODUCTION	38
	<u>THE ISSUE</u>	38
	<u>GENERAL INFORMATION</u>	39
	<u>CAPITAL STRUCTURE</u>	45
V.	PARTICULAR OF THE ISSUE	48
	<u>OBJECTS OF THE ISSUE</u>	48
	<u>STATEMENT OF TAX BENEFITS</u>	52
VI.	ABOUT OUR COMPANY	58
	<u>INDUSTRY OVERVIEW</u>	58
	<u>OUR BUSINESS</u>	65
	<u>OUR MANAGEMENT</u>	77
	<u>HISTORY AND CERTAIN CORPORATED MATTER</u>	81
	<u>DIVIDEND POLICY</u>	86
VII.	FINANCIAL INFORMATION OF THE COMPANY	87
	<u>ACCOUNTING RATIO</u>	127
	<u>STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY</u>	129
VIII.	LEGAL AND OTHER INFORMATION	131
	<u>OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS</u>	131
	<u>GOVERNMENT AND OTHER APPROVALS</u>	135
	<u>OTHER REGULATORY AND STATUTORY DISCLOSURES</u>	139
IX.	ISSUE RELATED INFORMATION	146
	<u>TERMS OF THE ISSUE</u>	146
	<u>RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES</u>	176
X.	OTHER INFORMATION	178
	<u>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION</u>	179
	<u>DECLARATION</u>	180

SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended or re-enacted from time to time.

The words and expressions used in this Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder. Notwithstanding the foregoing, terms used in 'Statement of Tax Benefits' and 'Financial Information of the Company' beginning on pages 52 and 87, respectively, shall have the meaning ascribed to such terms in such sections. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended.
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Auditor/ Statutory Auditor	The statutory auditor of our Company, being M/s. Bhushan Khot & Co., Chartered Accountant (M/s. G. R. Shetty & Co., Chartered Accountant were Statutory Auditor of our Company till the conclusion of our 12 th Annual General Meeting.).
Board of Director(s)/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled ' <i>Our Management</i> ' beginning on page 77 of this Letter of Offer.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company being Mr. Rahul Krishna Pathak.
Company Secretary & Compliance Officer	Company Secretary and Compliance Officer of our Company being Mr. Rahul Krishna Pathak.
Equity Shares	The equity shares of our Company of face value of ₹10 each, fully paid-up, unless otherwise specified in the context thereof.
Group Companies/ Entities	The companies included under the definition of ' <i>Group Entities</i> ' under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed under section titled ' <i>Our Management</i> ' beginning on page 77 of this Letter of Offer.
Market Lot	The trading of Equity Shares is undertaken in the market lot of our Company is 3,100 (Three Thousand One Hundred) Equity Shares. The Market lot and Trading lot for the Right Entitlements shall be 3,100 (Three Thousand One Hundred) Equity Shares and in multiples of 3,100 (Three Thousand One Hundred).
Market Maker	Nikunj Stock Brokers Limited is the Market Maker for the purpose of this Rights Issue
Market Maker Agreement	The Market Making Agreement dated February 14, 2023 entered into by the Company, the Registrar, and the Market Maker
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 06, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
Nomination and	Nomination and remuneration committee of our Company constituted in accordance with

Term	Description
Remuneration Committee	Regulation 19 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.
Peer Review Auditors	The peer review auditor of our Company, being M/s. Bhushan Khot & Co., Chartered Accountants
Promoters	Shall mean Promoters of our Company <i>i.e.</i> , Mr. Ravindra Malinga Hegde and Mrs. Sujata Ravindra Hegde.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with NSE under the SEBI (LODR) Regulations;
Registered Office	Registered office of our Company situated at 01, Nirma Plaza, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059, Maharashtra, India
RoC/ Registrar of Companies	The Registrar of Companies, Mumbai situated at Everest, 5 th Floor, 100 Marine Drive, Mumbai 400 002, Maharashtra, India.
Audited Financial Statements	The audited financial statements of our Company prepared under Ind AS for the Financial Years 2022, 2021, and 2020 and Half Year ended September 30, 2022;
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI;

Issue related terms

Term	Description
Allot/ Allotment/ Allotted of Equity Shares	Unless the context requires, the allotment of Right Equity Shares pursuant to the Issue;
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Shares	The Rights Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Account Bank	The Bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, Yes Bank.
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	Persons to whom Right Equity Shares are issued pursuant to the Issue;
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer/Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Equity Shares at the Issue Price;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price;
Application Form	Unless the context otherwise requires, an application form made available through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;

Term	Description
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be;
ASBA Applicant/ ASBA Investor	Any Applicant who intends to apply through ASBA Process.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being Yes Bank;
Bankers to the Issue Agreement	Agreement dated February 14, 2023 entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement;
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Bangalore, Hyderabad and Pune.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue, and which is described in ' <i>Terms of the Issue</i> ' beginning on page 146 of this Letter of Offer;
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form;
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes .
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of Investor's father/husband, Occupation, Investor status and Bank Account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Depository/ Depositories	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange <i>i.e.</i> www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange <i>i.e.</i> www.nseindia.com

Term	Description
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Letter of Offer/ DLoF	The Draft Letter of Offer dated Tuesday, January 10, 2023, filed with National Stock Exchange of India Limited in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Yes Bank;
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
ISIN	International Securities Identification Number. In this case being INE00UG01014
Issue/ Rights Issue	Rights Issue of up to 1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred and Ninety Nine) Equity Shares of face value of ₹10.00 (Rupees Ten Only) each of our Company for cash at a price of ₹24.00/- (Rupees Twenty Four Only) per Rights Equity Share aggregating up to ₹24,05,35,176/- (Rupees Twenty Four Crores Five Lakhs Thirty Five Thousand One Hundred and Seventy Six Only) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) lot of Rights Equity Shares for every 1 (One) lot of Equity Shares held, i.e, 3,100 (Three Thousand One Hundred) Rights Equity Shares being 1 (One) lot of Rights Equity Shares for every 3,100 (Three Thousand One Hundred) Equity Shares being 1 (One) lot of Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Friday, February 10, 2023;
Issue Closing Date	Friday, March 10, 2023
Issue Opening Date	Monday, February 27, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹24.00/- (Rupees Twenty-Four Only) per Right Equity Share per Rights Entitlement, including a premium of ₹14.00/- (Rupees Fourteen Only) per Rights Equity Share. Taking into consideration the Market Lot the Issue Price payable amounts to ₹74,400.00/- (Rupees Seventy-Four Thousand Four Hundred Only) for the Rights Entitlement of 1 (One) Lot being 3,100 (Three Thousand One Hundred) Equity Shares;
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer to section titled ' <i>Objects of the Issue</i> ' beginning on page 48 of this Letter of Offer.
Issue Shares	Up to 1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred and Ninety-Nine) Rights Equity Shares
Issue Size	Amount aggregating up to ₹24,05,35,176.00/- (Rupees Twenty-Four Crores Five Lakhs Thirty-Five Thousand One Hundred and Seventy-Six Only) (<i>Assuming full subscription with respect to Rights Shares</i>);
Letter of Offer/ LoF	The final Letter of Offer to be filed with NSE after incorporating the observations received from NSE on the Draft Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by our Company.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and

Term	Description
	other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Friday, March 03, 2023;
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders;
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability co., joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Friday, 10 February, 2023;
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being [●];
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar/ Registrar to this Issue/RTI	Registrar to the Issue being Bigshare Services Private Limited.
Registrar Agreement	The Agreement dated November 01, 2022, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renounees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., Monday, February 27, 2023. Such period shall close on Wednesday, March 08, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e., Friday, March 10, 2023;
Retail Individual Investors/RII	Individual Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹2.00 lakh in this Issue.
Rights Entitlement (s)/ REs	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 1 (One) Right Equity Shares for every 1 (One) Equity Shares held by an Eligible Equity Shareholder; The Rights Entitlements with a separate ISIN 'INE00UG20014' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in

Term	Description
	dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible and on the website of our Company;
Rights Shares	Equity shares of our Company to be Allotted pursuant to this Rights Issue, on Fully paid-up basis on Allotment;
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Stock Exchange	National Stock Exchange of India Limited
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such;

Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Category I foreign portfolio investor(s)	FPIs who are registered as 'Category I foreign portfolio investor' under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as 'Category II foreign portfolio investor' under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as 'Category III foreign portfolio investor' under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Companies Act, 1956	Companies Act, 1956 (<i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i>) along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
Equity Listing Agreement / Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the National Stock Exchange of India Limited (NSE).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations (<i>defined later</i>).
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations (<i>defined later</i>) and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961

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

Technical and Industry related terms

Term	Description
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATM	Automated Teller Machine
BCG	Boston Consulting Group
BPS	Basis point
CAGR	Compound Annual Growth Rate
CCTV	Closed Circuit Television
CSO	Central Statistics Organization
F&B	Food and Beverage
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
FMS	Flexible Manufacturing System
FTA	Foreign Tourist Arrivals
GDP	Gross Domestic Product
GST	Goods and Services Tax

Term	Description
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee
IPC	Indian Penal Code
IT	Information Technology
NASSCOM	National Association of Software and Services Companies
NGNF	Non - Government Non – Financial
OEM	Original Equipment Manufacturer
PMI	Purchasing Managers’ Index
PPP	Purchasing Power Parity
R&D	Research & Development
RPL	Recognition of Prior Learning
SEZ	Special Economic Zone
SLL	Special and Local Laws
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
USD	United States Dollar
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
WPI	Wholesale Price Index
WTO	World Trade Organization
WTTC	World Travel and Tourism Council
YoY	Year over Year

General terms/ Abbreviations

Term	Description
%	Percent
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A. Y.	Assessment year
Approx	Approximately
BG/LC	Bank Guarantee / Letter of Credit
Bn	Billion
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
BSE	The BSE Limited
CA	Chartered Accountant
CC	Cash Credit
Cr	Crore
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor’s Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
CPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant’s identification

Term	Description
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortization
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General anti avoidance rules
GDP	Gross Domestic Product
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
Mn	Million
MoF	Ministry of Finance, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
MVAT	Maharashtra Value Added Tax Act
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares.
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account.
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
OCB	Overseas Corporate Body;
ONGC	Oil and Natural Gas Corporation Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)

Term	Description
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SME	Small and Medium Enterprises
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956, and amendments thereto;
SCRR	Securities Contracts (Regulation) Rules, 1957, and amendments thereto;
SEBI Act	Securities and Exchange Board of India Act, 1992, and amendments thereto;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and amendments thereto;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and amendments thereto;
Sec.	Section
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
Securities Act	United States Securities Act of 1933, as amended;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Wilful Defaulter	Wilful Defaulter as defined under Section 2 (1)(zn) of the SEBI (ICDR) Regulations.

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

Certain Conventions

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

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise, financial data included in this Letter of Offer is derived from the Financial Information, prepared in accordance with the Companies Act and in accordance with SEBI (ICDR) Regulations.

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

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Financial Information for Financial Years ended March 31, 2022, 2021 and 2020 are included in this Letter of Offer.

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

Unless otherwise indicated, any percentage amounts, as set forth in this Letter of Offer, including in sections titled '*Risk Factors*' and '*Our Business*', beginning on pages 21 and 65 respectively, have been calculated on the basis of the Financial Information prepared in accordance with the Companies Act and in accordance with the SEBI (ICDR) Regulations.

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

Currency and units of presentation

In this Letter of Offer, unless the context otherwise requires, all references to (a) 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India; (b) 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America. All references to the word 'Lakh' or 'Lac' or 'Lacs', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'. Any percentage amounts, as set forth in '*Risk Factors*', '*Our Business*' and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Statements.

Industry and Market Data

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

methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

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

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

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

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

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

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to section titled ‘*Risk Factors*’ and ‘*Our Business*’; beginning on pages 21 and 65 respectively of this Letter of Offer.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The forward-looking statements contained in this Letter of Offer are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as

anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

SECTION II- SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled ‘Risk Factors’, ‘Objects of the Issue’, ‘Our Business’ and ‘Outstanding Litigations and Material Developments’ beginning on pages 21, 48, 65, and 131 of this Letter of Offer, respectively

SUMMARY OF OUR INDUSTRY

Facility Management Services Growth and Market Potential:

India facility management market to cross \$100 billion by 2023, anticipated growth in the market can be attributed to an increase in construction activities across commercial as well as residential sector. Moreover, various initiatives by Government to provide housing for all citizens and development of smart cities in India are further expected to positively influence India facility management market in the coming years. Furthermore, rising population across tier 1 cities and continuing growth in IT/ITeS and banking sectors would further steer India facility management market during the forecast period. The market is dominated by unorganized players.

SUMMARY OF OUR BUSINESS

Our Company provide the entire range of hospitality and facility management services including mechanized housekeeping, guesthouse management, pest control, gardening and security service, etc. The IHFM segment of our services provide integrated hospitality and facility management solutions to corporates including MNCs, government organizations like Railways, Municipal Corporations Public Sector Undertakings (PSUs) and other commercial establishments.

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

For further details, please refer to the chapter titled ‘Our Business’ beginning on page 65 of this Letter of Offer.

OUR PROMOTERS

The Promoters of our company are Ravindra Malinga Hegde and Sujata Ravindra Hegde.

OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	₹2,405.35
Less: Estimated Issue related Expenses	(₹30.00)
Net Proceeds from the Issue	₹2,375.35

assuming full subscription and allotment

**The Issue Size will not exceed ₹2,405.35 Lakhs (Rupees Twenty Four Crores Five Lakhs Thirty Five Thousand One Hundred and Seventy Six Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Working capital Purposes	₹1806.27
General Corporate Purposes#	₹569.08
Total Net Proceeds@	₹2,375.35

#In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 65 of this Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company through their letter dated October 15, 2022, have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Rights Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

SUMMARY OF FINANCIAL STATEMENTS

The following table sets forth the summary of financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020.

(Amount in ₹ Lakhs)

Particulars	For the six month period ending September 30, 2022	For the Financial Year ending		
		March 31, 2022	March 31, 2021	March 31, 2020
Equity Share Capital	1,002.23	1,002.23	969.90	969.90
Net Worth	2,023.99	1,869.74	3,821.10	3,518.33
Total Income	4,479.83	5,408.12	11,539.49	11,593.82
Profit / (loss) after tax	169.07	(1,921.36)	326.24	439.91
Basic and diluted EPS (in ₹)	1.69	(19.62)	3.36	4.88
Total borrowings	1,323.54	1,474.96	1,208.83	686.90

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '**Financial Statements**' beginning on page 87 of this Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION

(Amount in Lakhs)

Nature of Cases	Number of cases	Amount involved
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	2	1,389.39
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely	Nil	Nil

Nature of Cases	Number of cases	Amount involved
affect the operations or the financial position of our Company		
Litigation involving our Directors, Promoters and Promoter Group	Nil	Nil
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to section titled '*Outstanding Litigations and Material Developments*' beginning on page 131 of this Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 21 of this Letter of Offer.

SUMMARY OF CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning on page 87 and '*Outstanding Litigations and Material Developments*' on page 131 of this Letter of Offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '*Financial Statements - Statement of Related Party Transactions*' beginning on page 110 of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Letter of Offer.

SPLIT/ CONSOLIDATION OF EQUITY SHARES IN LAST 1 (ONE) YEAR

There has been no split/ consolidation of Equity Shares during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

SECTION III- RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled 'Our Business' beginning on page 65, as well as the other financial and statistical information contained in this Letter of Offer.

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

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

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

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

INTERNAL RISK FACTORS

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

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

Sr. No.	Nature of proceedings	No of outstanding cases	Amount involved (₹ in lakh)
<i>Cases filed by our Company</i>			
1.	Civil	Nil	Nil
<i>Cases filed against our Company</i>			
2.	Civil	Nil	Nil
3.	Criminal	Nil	Nil
<i>Revenue proceedings involving our Company</i>			
4.	Civil	2	1,389.40

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled 'Outstanding Litigation and Material Developments' beginning on page 131.

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

For the fiscal year ended March 31, 2022, 2021 and 2020; our top ten (10) largest clients accounted for approximately 60.90%, 69.36% and 68.27%, respectively of our revenues from operations. The loss of a significant client or clients would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them.

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

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

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

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

4. ***We could be harmed by our employee's misconduct or errors that are difficult to detect and any such incidences such as employment-related claims and losses could adversely affect our financial condition, results of operations and reputation.***

We employ and assign employees in the workplaces of our clients. Our ability to control the workplace environment in such circumstances is limited, and the risks associated with these activities, inter-alia, include possible claims relating to:

- actions or inactions of our employees, including matters for which we may have to indemnify our client;
- discrimination and harassment (including claims relating to actions of our clients);
- wrongful termination or retaliation;
- Violation of health and safety regulations; etc.

Further, employees misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

5. ***Contingent liabilities could adversely affect our financial condition. Crystallization of any of these contingent liabilities may adversely affect our financial condition.***

As on 31st March, 2022, our contingent liabilities as indicated in our Financial Statements were Rs. 2,528.46 Lakhs. We believe there will be no liability on these accounts. But in the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected.

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

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. As a provider of facilities management services, our reputation is dependent upon the performance of our employees. If our

clients become dissatisfied with the performance of our employees or if any such employees do not perform in accordance with the instructions or standards established by the clients or agreed by us, our business reputation and ability to maintain or expand our client base may be adversely affected.

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

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

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

Presently, our Company has incurred the total debt including working capital credit facilities, as on March 31, 2022, at ₹3,197.93 lakh. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our business. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

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

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

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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. As on September 30, 2022, we have been sanctioned working capital of ₹ 1,895 Lakh in form of Cash Credit facilities from Apna Sahakari Bank Limited, ₹585 Lakh in form of Cash Credit facilities from State Bank of India and ₹752 lakh in form of Cash Credit facilities from Bank of India, totaling to total sanctioned limit of ₹3,232 lakh. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our

inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

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

Our Company availed loans from various banks and financial institutions which are outstanding and may be recalled by them at any time. The outstanding amount of the unsecured loans from banks and financial institutions as at September 30, 2022 amounts to ₹231.36 lakh and secured loan amounts to ₹2,342.21 lakh (₹1421.77 lakh fund based and ₹920.43 lakh non-fund based).

In the event these or any of them seeks a repayment of such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may affect our business, cash flows, financial condition and results of operations.

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

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

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

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

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

As on March 31, 2022, and September 30, 2022, we had Contingent Liability of ₹2,528.46 lakh and ₹2,309.83 lakh, respectively, which has not been provided in our financial statements and which could affect our financial position. Details of such contingent Liabilities and commitments are as follows:-

(₹ in lakh)

Particulars	As on September 30 th 2022	As on March 31 st 2022
Service Tax Matters (under dispute)	1,389.40	1,389.40
Guarantees given by bank on behalf of the Company	920.43	1,139.06
Total	2,309.83	2,528.46

* ₹ 82.948 lakh service tax matters (under dispute) plus applicable interest and penalty.

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

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

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

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

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

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

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

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

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

Our Company has entered into related party transactions in ordinary course of its business at arm's length basis. We cannot assure you that any future related party transactions that would be entered into by our Company may be on favorable terms as against if such transactions would have been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect the business, results of operations and financial condition of our Company. For further details of related party transactions, please refer to Annexure-I titled 'Statement of Related Party Transactions' in the section titled 'Financial Information' beginning on page 112 of this Letter of Offer.

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

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

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

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

19. ***Our Group Entity, KHFM HR Consultancy Private Limited operate in the same line of business as us, which may lead to competition with such Group Entity.***

Our Group Entity, KHFM HR Consultancy Private Limited is involved in line of business that may potentially compete with our Company or is authorized to carry out business, similar to that of our Company. Hence, we may have to compete with our Group Entity for business, which may impact our business, financial condition and results of operations. The interests of our Promoters may also conflict in material aspects with our interests or the interests of our shareholders. Further, our Promoters may become involved in ventures that may potentially compete with our Company.

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

There is a constant need to explore and attract new customer in order to increase our revenue and cash flows. If we are not able to generate sufficient leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to renew their contracts, and renewal rates may decline or fluctuate due to a number of factors, including customers' satisfaction with our services, our prices and the prices of competing service providers. If we fail to sell our services to new customers or if our existing customers do not renew their contracts, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

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

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

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

Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees, which occur at our customer's premises. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate training or supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include motor vehicle insurance, standard fire insurance, money insurance, and special perils insurance. While we believe that the insurance

coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. At present, the Company has not renewed a few policies and the same is in process. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

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

Our Company has not identified any alternate source of funding for our working capital requirement and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company. For further details regarding working capital requirement, please refer to the section titled ‘Objects of the Issue’ beginning on page 48 of this Letter of Offer.

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

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

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

Hospitality and facilities management services market is highly fragmented and competitive. We compete with both full-service and specialized facilities management services companies. We also face competition from various regional players. Price competition in the facilities management services industry is intense. We expect that the level of competition will remain high, which could directly impact the size of our workforce and therefore potentially limit our ability to maintain or increase our profitability. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential influx of new competitors, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future. Nor can there be any assurance that our Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins

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

Our Promoters currently own 66.19% of our Equity Shares. Following the completion of the Issue, our Promoters will continue to hold majority shareholding of our Post Issue Equity Share Capital. As a result, they will have the ability to influence matters requiring shareholder’s approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders’ meetings, including the issue of Equity Shares and dividend

payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

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

Our Company has not identified any alternate source of funding for our working capital requirement and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of our Company. For further details regarding working capital requirement, please refer to the section titled 'Objects of the Issue' beginning on page 48 of this Letter of Offer.

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

Our Promoters, Director and certain of the members of our Promoter Group may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, Director and certain members of our Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our members of Promoter Group, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please refer to section titled 'Capital Structure'; and 'Our Management' beginning on pages 45 and 77 respectively of this Letter of Offer.

ISSUE SPECIFIC FACTORS

29. ***Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

30. ***There is no public market for the Rights Equity Shares or Equity Shares outside India.***

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

31. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will

be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is Friday, March 03, 2023), such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

32. ***SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 146 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being M/S. KHFM Hospitality And Facility Management Services Limited - Unclaimed Securities Suspense Account) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- a. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - b. Equity Shares held in the account of IEPF authority; or
 - c. The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - d. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
 - e. Credit of the Rights Entitlements returned/reversed/failed; or
 - f. The ownership of the Equity Shares currently under dispute, including any court proceedings.
33. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future;

34. ***Investors shall not have the option to receive Rights Equity Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

35. ***The Rights Entitlement of Physical Equity Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Equity Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Equity Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled '*Terms of the Issue*' on page 146 of this Letter of Offer.

36. ***Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.***

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.

37. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares and Rights Entitlement.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on the Stock Exchanges held for more than 12 (Twelve) months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax, on the sale of any Equity Shares held for more than 12 (Twelve) months immediately preceding the date of transfer. Securities Transaction Tax will be levied on the seller and/or the purchaser of the Equity Shares and collected by the domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 (Twelve) months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as Securities Transaction Tax.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and, accordingly, such dividends would not be exempt in the hands of the Shareholders, both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be

calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹1.00 Lakh (Rupees One Lakh), subject to certain exceptions in case of resident individuals and Hindu Undivided Families.

Further, the Finance Act, 2019 made various amendments in the taxation laws and clarified that, in the absence of a specific provision under an agreement, the buyer will be liable to pay stamp duty in case of sale of securities through the Stock Exchanges, while the transferor will be liable to pay stamp duty in other cases of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis, is specified at 0.015% (Zero Point Zero One Five Percent) and on a non-delivery basis is specified at 0.003% (Zero Point Zero Zero Three Percent) of the consideration amount. These amendments came into effect from July 1, 2020.

38. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

39. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

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

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

41. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with applicable laws and regulations and the requirements of NSE Limited, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a delay in listing the Rights Equity Shares on the NSE. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity

Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled '*Terms of the Issue*' beginning on page 146 of this Letter of Offer.

42. ***No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Issue Materials to overseas Shareholders who have not provided an address in India for service of documents. We will dispatch the Issue Materials to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdiction where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

43. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

44. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

45. ***SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.***

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

46. ***Investors in the Rights Equity Shares may not be able to enforce a judgment of a foreign court against us or our***

management, except by way of a suit in India on such judgment.

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

EXTERNAL RISK FACTORS

47. *Impact of Covid-19*

The outbreak of COVID-19 pandemic, globally and in India, is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue were also impacted due to COVID-19 and the consequent lockdown in India. The Company is predominantly dependent on manpower and due to the slowdown of economy; company has incurred huge losses for the year ended on March 31, 2022. However, given the uncertainties associated with the nature and duration of COVID-19, the Company will continue to monitor its impact on the financial and operational performance of the Company.

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

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

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

Any such laws, if they come into force, could impose restrictions on our operations and increase our compliance costs. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

56. ***The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

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

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

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

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

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

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

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

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

As regards the General Anti-Avoidance Rules ('GAAR'), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an 'impermissible avoidance arrangement', if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares. Further, the GoI has issued a set of Income Computation and Disclosure Standards ('ICDS') that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of 'Profits and gains of business/profession' and 'Income from other sources'. This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

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

As stated in the reports of our Company's statutory auditors included in the Letter of Offer, our Restated Financial Information is prepared and presented in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in the Letter of Offer to any other principles or to base it on any other standards such as US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Indian GAAP.

Accordingly, the degree to which the Restated Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

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

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

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

SECTION IV- INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on Thursday, February 02, 2023, in pursuance of Section 62(1)(a) of the Companies Act, 2013.

Following table summarizes the present Issue in terms of this Letter of Offer

Equity Shares outstanding prior to the Issue	1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred Ninety-Nine) Equity Shares
Rights Equity Shares offered in the Issue	1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred Ninety-Nine) Rights Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	2,00,44,598 (Two Crores Forty-Four Thousand Five Hundred and Ninety-Eight) Equity Shares
Rights Entitlement	Ratio of 1 (One) lot of Rights Equity Shares for every 1 (One) lot of Equity Shares held, i.e., 3,100 (Three Thousand One Hundred) Rights Equity Shares being 1 (One) lot of Rights Equity Shares for every 3,100 (Three Thousand One Hundred) Equity Shares being 1 (One) lot of Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e., Friday, February 10, 2023
Record Date	Friday, February 10, 2023
Fractional Entitlement	Fractional entitlements are not eligible for trading. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.
Face Value per Equity Share	₹10.00/- each
Issue Price per Equity Share	₹24.00/- (Rupees Twenty-Four Only) per Right Equity Share per Rights Entitlement, including a premium of ₹14.00/- (Rupees Fourteen Only) per Rights Equity Share. Taking into consideration the Market Lot the Issue Price payable amounts to ₹74,400.00/- (Rupees Seventy-Four Thousand Four Hundred Only) for the Rights Entitlement of 1 (One) Lot being 3,100 (Three Thousand One Hundred) Equity Shares.
Issue Size (Assuming full subscription for the Issue)	Up to ₹24,05,35,176/- (Rupees Twenty-Four Crores Five Lakhs Thirty Five Thousand One Hundred and Seventy Six Only)
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on page 146 of this Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 48 of this Letter of Offer.
Security Code/ Scrip Details	ISIN: INE00UG01014; NSE Scrip ID: KHFM; ISIN for Rights Entitlements: INE00UG20014

TERMS OF PAYMENT

Amount payable per Rights Shares	Face Value	Premium	Total
On Application	₹10.00	₹14.00	₹24.00*
Total	₹10.00/-	₹14.00	₹24.00

**Constitutes 100% of the Issue Price.*

ISSUE SCHEDULE

Issue Opening Date	Monday, February 27, 2023
Last date for On Market Renunciation of Rights	Friday, March 03, 2023
Issue Closing Date	Friday, March 10, 2023

GENERAL INFORMATION

KHFM Hospitality and Facility Management Services Limited was originally incorporated as a private limited company under the Companies Act, 1956 in the name of Kalpataru's Hospitality and Facility Management Services Private Limited vide Certificate of Incorporation dated on January 27, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai ('RoC') bearing CIN U74930MH2006PTC159290. Subsequently, by a special resolution passed at the EGM of our Company held on July 18, 2012 the name of our Company was changed from Kalpataru's Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited and a Fresh Certificate of Incorporation dated August 10, 2012 was issued by the RoC. Further, our Company was converted into a public limited company pursuant to special resolution passed at the EGM of our Company held on May 18, 2018 and the name of our Company was changed to KHFM Hospitality and Facility Management Services Limited and a Fresh Certificate of Incorporation dated May 30, 2018 was issued by the RoC bearing CIN U74930MH2006PLC159290. For details of changes in name and registered office of our Company, please refer to the section titled 'History and Certain Corporate Matters' beginning on page 81 of this Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

Company	KHFM Hospitality and Facility Management Services Limited
Registered Office Address	01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East), Mumbai 400 059, Maharashtra, India.
Contact Details	+91 22 2851 1234;
Facsimile	+91 22 2859 1483;
Email-ID	cs@khfm.in , Sales@khfm.in
Website	www.khfm.in
Corporate Identification Number	L74930MH2006PTC159290
Registration Number	159290

The Company does not have a separate corporate office. Hence, the registered office and corporate office is one and same.

Designated Stock Exchange

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

National Stock Exchange of India Ltd (NSE)

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

Address of the Registrar of Companies

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

Board of Directors

Our Company's board comprises of the following Directors:

Name	DIN	Designation	Age	Residential Address
Mr. Ravindra Malinga Hegde	01821002	Managing Director	64 years	F-2504, Oberoi Splendor, JVL Road, Opp. Majas Depot, Jogeshwari (East), Mumbai 400060, Maharashtra, India
Mrs. Sujata Ravindra Hegde	01829352	Executive Director	54 years	F-2504, Oberoi Splendor, JVL Road, Opp. Majas Depot, Jogeshwari (East), Mumbai 400060, Maharashtra, India
Mr. Saurav Ravindra Hegde	08116567	Executive Director	26 years	F-2504, Oberoi Splendor, JVL Road, Opp. Majas Depot, Jogeshwari (East), Mumbai 400060, Maharashtra, India.
Mr. Brahm Pal Singh	08045923	Independent	65	A-304, Bhoomi Hills CHS, Thakur Village, Mumbai

Name	DIN	Designation	Age	Residential Address
		Director	years	400101, Maharashtra, India.
Mr. Girish Gobindram Ramnani	09362318	Independent Director	48 Years	Flat No. A-501, Gokul Nagari II, ABCHS Ltd, Near Sai Star cable, Thakur Village, Kandivali, Mumbai-400101, India
Mr. Kapildeo Ramswarup Agrawal	09679952	Independent Director	40 Years	401/ D-Wing, Kasturi Vandana Complex, Mira Bhayander Road, Near Kasturi Industrial Estate, Bhayander East, Thane-401105, Maharashtra, India

For further details of the Board of Directors, please refer to the section titled 'Our Management' beginning on page 77 of this Letter of Offer.

Details of Key Intermediaries pertaining to this Issue and our Company

Company Secretary, Compliance Officer and Chief Financial Officer	
Rahul Krishna Pathak Address: 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East) Mumbai 400 059, Maharashtra, India. Contact Details: +91 22 4057 4300 Email-ID: cs@khfm.in	
Statutory and Peer Review Auditor	Registrar to the Company and Issue
M/s. Bhushan Khot & Co., Chartered Accountants Address: B-15, Sai Prasad, Telly Gully Cross Lane, Andheri (East), Mumbai 400 069 Firm Registration No: 106584W Contact Person: CA Bhushan Khot Mem No.: 116888W E-mail ID: bhushan@cabkc.com Contact Number: +91 22 26822541 Website: http://www.cabkc.in	Bigshare Services Private Limited Address: Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Murubai - 400093, India. CIN: U99999MH1994PTC076534 Telephone: +91 -22 -62638200/22; Email: rightsissue@bigshareonline.com ; Investor Grievance Email: investor@bigshareonline.com ; Contact Person: Mr. Vijay Surana Website: www.bigshareonline.com SEBI Registration Number: INR000001385
Advisor to the Issue	Legal Advisor to the Issue
Swaraj Shares & Securities Private Limited 21, Hemant Basu Sarani, 5th Floor, Room No. 507, Kolkata – 700001, India. Contact No.: +91 9874283532/+91 8097367132 Email-ID: tanmoy@swarajshares.com/ pankita@swarajshares.com Website: www.swarajshares.com/ Contact Person: Mr. Tanmoy Banerjee / Ms. Pankita Patel	M/s. Sushmita Adhikari & Associates Address: 137/18, Anupam Garden, Saket, New Delhi- 110068 Contact Details: +91 9990536363/ Contact Person: CS Sushmita Adhikari Firm Registration Number: S2022DE863100
Bankers to the Issue/ Refund Banker	Bankers to the Company
Yes Bank Limited 18th Floor, Empire Tower, Reliable Tech Park Cloud City Campus, Plot No. 31, Thane - Belapur Road, Airoli, Navi Mumbai – 400708, Maharashtra, India. Contact Person: Sachin Shinde E-mail ID: sachin.shinde@yesbank.in Contact Details: +919819995609 Website: Yesbank.in SEBI Registration Number: INBI00000935	Apna Sahakari Bank Limited 1st Floor, Apna Bazar Building, J.P Road, Andheri (West), Mumbai 400058, Maharashtra, India. Telephone: +91 95949 85322 Facsimile: +91 22 2674 4643 Email: anw@apnabank.co.in Contact Person: Mr. Vinod Shirsath Website: www.apnabank.co.in

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS

M/s. G.R. Shetty & Co., Chartered Accountants who were the Statutory Auditor of our Company since incorporation till the financial year ended on March 31, 2018 resigned as a Statutory Auditor on August 13, 2018; and

M/s Bhushan Khot & Co., Chartered Accountants has been appointed as a Statutory Auditor of our Company at Annual General Meeting of our Company held on August 22, 2018 for the term of five (5) years from financial year April 1, 2018 to March 31, 2023.

Apart from the above stated fact, there has been no changes in the statutory auditors of our Company in past 3 (three) financial years.

INVESTORS GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Rights Issue or post-Rights Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled 'Terms of the Issue' beginning on page 146 of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

EXPERT TO THE ISSUE

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

Our Company has received a written consent from our Statutory Auditors, M/s. Bhushan Khot & Co., Chartered Accountants, to include their name in this Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated November 11, 2022, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Friday, February 17, 2023
Issue Opening Date	Monday, February 27, 2023
Last Date for On Market Renunciation of Rights Entitlements#	Wednesday, March 08, 2023
Issue Closing Date*	Friday, March 10, 2023
Finalization of Basis of Allotment (on or about)	Tuesday, March 21, 2023
Date of Allotment (on or about)	Thursday, March 23, 2023
Date of credit (on or about)	Friday, March 24, 2023
Date of listing (on or about)	Monday, March 27, 2023

Note:

#Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Wednesday, March 08, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., Thursday, March 09, 2023 .

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 146 of this Letter of Offer. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.bigshareonline.com/ after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see '**Credit of Rights Entitlements in demat accounts of Eligible Shareholders**' under the section titled '**Terms of the Issue**' beginning on page 146 of this Letter of Offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As the proposed Rights Issue is of Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As the proposed Rights Issue is of Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Rights Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

APPRAISING ENTITY

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

UNDERWRITING

This Rights Issue is not underwritten, and our Company has not entered any underwriting arrangement.

FILING

Since the size of this Issue falls under the threshold as prescribed under Regulation 3 of the SEBI (ICDR) Regulations, the Letter of Offer had been filed with NSE and will not be filed with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the NSE.

MINIMUM SUBSCRIPTION

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Letter of Offer prior to and after the proposed Issue, is set forth below:

Figures in Lakhs			
Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issuer Price
A	Authorised Share Capital		
	2,10,00,000 (Two Crores Ten Lakhs) Equity Shares having face value of ₹ 10.00/- each	2,100.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Rights Issue		
	1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred Ninety-Nine) Equity Shares having face value of ₹10.00/- each fully paid up before the issue	1,002.22	-
C	Present Rights Issue in terms of this Letter of Offer		
	Issue of 1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred Ninety-Nine) equity shares of ₹10/- each at a price of ₹24.00/- per equity share	1,002.22	2,405.35
E	Securities Premium Account		
	Before the Issue		639.86
	After the Issue		2042.98

Assuming full subscription for allotment of Rights Equity Shares.

Note: The present Rights Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on Thursday, February 02, 2023.

Notes on Capital Structure

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
3. As on the date of this Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹24.59/- (Twenty-Four Rupees and Fifty-Nine Paise Only);
5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

6. **Details of stock option scheme of our Company**

As on the date of this Letter of Offer, our Company does not have a stock option scheme;

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered;

8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer**

None of the members of the Promoter and Promoter Group of the Company have acquired any Equity Shares in the last one year prior to the filing of this Letter of Offer, Except the Equity shares acquired under the Bonus issue made by the company.

9. **Intention and participation by the promoter and promoter group**

The Promoters and members of the Promoter Group of our Company through its letters dated October 15, 2022, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, the Promoters and members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters and members of our Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

10. **Shareholding Pattern of our company**

a) The shareholding pattern of our Company as on September 30, 2022 is as follows:

Particulars	NSE Limited's URL
Summary statement holding of specified securities	https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=KHFM&tabIndex=sme
Statement showing shareholding pattern of the Promoter and Promoter Group	
Statement showing shareholding pattern of the Public shareholder	
Statement showing shareholding pattern of the Non Promoter- Non Public shareholder	
Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.	

b) Details of shareholders holding more than 1% of the pre-Issue paid up capital of our Company as on date of this Letter of Offer

Name of shareholder	Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Ravindra Malinga Hegde	Promoter	1	56,47,978	56,47,978	56.35%	56,47,978	56.35%	56,47,978
Sujata Ravindra Hegde	Promoter	1	9,85,800	9,85,800	9.84%	9,85,800	9.84%	9,85,800
Akash Jain	Public	1	1,02,300	1,02,300	1.02%	1,02,300	1.02%	1,02,300
Hareshkumar Jayantilal Shah	Public	1	1,11,600	1,11,600	1.11%	1,11,600	1.11%	1,11,600

Name of shareholder	Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Badjate Stock Broking Private Ltd	Public	1	2,85,200	2,85,200	2.85%	2,85,200	2.85%	2,85,200
Pratay Nivesh Pvt. Ltd	Public	1	4,24,700	4,24,700	4.24%	4,24,700	4.24%	4,24,700
Total		6	75,57,578	75,57,578	75.41%	75,57,578	75.41%	75,57,578

SECTION V- PARTICULAR OF THE ISSUE

OBJECTS OF THE ISSUE

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

- Meeting additional Working Capital Requirement
- To meet Issue Expenses
- General Corporate Purposes.

The main object clause of MOA of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MOA.

Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in lakh)
Gross Proceeds of Issue	₹ 2,405.35
Less: Issue Related Expenses	₹ 30.00
Net Issue Proceeds	₹ 2,375.35

assuming full subscription and Allotment;

**The Issue size will not exceed ₹2,405.35 Lakhs (Rupees Twenty-Four Crores Five Lakhs Thirty-Five Thousand One Hundred and Seventy-Six Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

REQUIREMENT OF FUNDS OF THE NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Particulars	Amount (₹ in lakhs)
To meet Working Capital requirements	₹1806.27
General Corporate Purposes	₹569.08
Total	₹2,375.35

MEANS OF FINANCE:

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Further, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management, as may be decided by the Board/ Committee of the Board from time to time. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during the Financial Year ending March 31, 2023. The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business, and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

1. Meeting Working Capital Requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. The funding of the working capital requirements of our Company will lead to a consequent increase in our profitability. Our Company's working capital limits from banks and the outstanding amounts thereunder, as on 30th day, September, 2022, are set out below:

Particulars	Sanctioned Amount (₹ in Lakhs)	Outstanding Amount (₹ in Lakhs)
Working capital limits (Fund based and non-fund based)	₹4237/-	₹3207.37/-

Basis of estimation of working capital requirement

The details of estimation of our working capital requirement for the Financial Years ending March 31, 2022 and the projected estimates for the Financial Year ending March 31, 2023, and March 31, 2024, is provided in the table below:

Sr. No.	Particulars	Actual for the Financial Year ending March 31, 2022	Projected for the Financial Year ending March 31, 2023	Projected for the Financial Year ending March 31, 2024
		Amount (₹ in Lakhs)	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
1	Current Assets			
	Trade Receivables	1709.19	1,805.56	2367.59
	Cash and Cash Equivalents	976.06	984.54	994.98
	Other Financial Assets	3449.02	3,655.37	4123.76
	Short-term Loans and Advances	-	-	-
	Total Current Assets (1)	6134.27	6,445.47	7,486.33
2	Current Liabilities			
	Trade Payables	512.55	578.89	606.67
	Other Financial Liabilities	3798.18	3967.78	4167.78
	Short Term Provisions	662.8	669.89	726.89
	Other Current Liabilities	340.99	489.56	443.78
	Total Current Liabilities (2)	5314.52	5706.12	5,945.12
	Working Capital (1-2)	819.75	739.35	1,541.21
	Funding Pattern			
	Working capital funding from banks	1379.93	107.16	367.13
	Net Proceeds from the Fresh Issue	-	-	-
	Internal accruals	-	-	-
	Proceeds from proposed Rights Issue	-	632.19	1174.08
	Total	1379.93	739.35	1,541.21

2. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrar to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the National Stock Exchange of India Limited. Our Company will need approximately ₹30 Lakh towards these expenses, a break-up of the same is as follows:

(₹ in Lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees of RTA, and legal advisor, other professional service providers	16.00	53.33%	0.67%
Fees payable to regulators, including depositories, Stock Exchange, and SEBI	7.50	25.00%	0.31%
Statutory advertising, marketing, printing and distribution	5.00	16.67%	0.21%
Other expenses (including miscellaneous expenses and stamp duty)	1.50	5.00%	0.06%
Total	30.00	100.00%	1.25%

3. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹2,375.35 Lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

APPRAISAL

None of the Objects of the Issue have been appraised by any bank or financial institution.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds are currently expected to be deployed in during Fiscal Years 2022-23, and 2023-24.

DEPLOYMENT OF FUNDS TOWARDS THE OBJECTS OF THE ISSUE

As on date, our Company has not deployed any funds towards 'Objects of the Issue'.

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards 'Objects of the Issue'.

BRIDGE FINANCING FACILITIES

We have not availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF PROCEEDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the

Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILISATION OF FUNDS

Since the proceeds from the Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Rights Issue. However, as per SEBI (LODR) Regulations, our Board/ Rights Issue Committee would be monitoring the utilization of the proceeds of the Rights Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to National Stock Exchange of India Limited, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

Our Promoters, members of the Promoter Group and the Directors do not have any interest in the Objects of the Issue.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the '*Postal Ballot Notice*') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

STATEMENT OF TAX BENEFITS

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

Dear Sir,

Subject: Statement of Possible Special Tax Benefits available to **KHFM Hospitality and Facility Management Service Limited** ('the Company') and shareholders of the Company under the direct & indirect tax laws.

We hereby report that the enclosed annexures prepared by the Management of KHFM Hospitality and Facility Management Service Limited ('the Company'), states the possible special Tax benefits (under direct and indirect tax laws) pursuant to the Income Tax Act, 1961, and the Income Tax Rules, 1962 including amendments made by the Finance Act (hereinafter referred to as 'Income Tax laws'), the Central Goods and Service Tax Act, 2017, Integrated Goods and Service Tax Act, 2017, respective State Goods and Service Tax Act, 2017 applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto, available to the Company and the shareholders of the Company for inclusion in the Letter of Offer as well as Letter of Offer ('Offer Documents') for the proposed rights issue of shares to the existing shareholders.

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

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

We conducted our examination on the above said requirements for proposed Issue of securities in accordance with the Guidance Note on 'Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India ('the Guidance Note'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI').

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

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

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

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

For Bhushan Khot & Co.
Chartered Accountants
FRN: 116888W

CA Rohit Fulwani
(Partner)
Membership No. 189192

Place: Mumbai
Date: 11.11.2022
Encl: As above

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICE LIMITED ('COMPANY') AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax & indirect tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company or may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income tax Act, 1961 ('IT Act') as amended from time to time and applicable for financial year 2020-22 relevant to assessment year 2021 -22 (AY 2021 -22) and Indirect Tax Laws as amended from time to time and applicable for financial year 2020-21.

Under the IT Act

Special tax benefit available to the company under the Act

Lower corporate tax rate under section 115 BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-1A(etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115 BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company is eligible to exercise the above option, but not yet exercised the option for lower corporate tax rate due to availability of MAT credit as on the date of this report.

Additional depreciation

The Company is eligible for claim of additional depreciation at the rate of 20% of the actual cost of specific machinery or plant acquired and installed at their manufacturing plant after 31 March 2005 over and above the normal depreciation. (Section 32 of the Act)

Deduction from Gross Total Income

Section 80IA- Deduction in respect of undertaking/s engaged in power generation.

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80IA of the Act, from the Gross Total Income of an amount equal to hundred percent of the profits and gains derived from eligible undertaking/s, engaged power generation. The benefit period is ten consecutive assessment years out fifteen assessment years beginning from the year in which the eligible undertaking begins to operate the facility.

The Company is eligible to claims 100% of profit generated from windmill Unit till FY 2020-21 under section 80IA of the Act.

Section 80 JJA -Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company are entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year. for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Section 80M -Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80NI of the Act.

Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company. With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The Section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The 'due date' means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES: -

The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provision of the Tax Laws.

In respect of non-residents, the tax rate and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

In respect of lower Corporate Tax rate under section 115BAA, it may be noted that such option for Financial Year 2020-21 is yet to be exercised by the Company which could be done prior to furnishing the tax return of the Company for Financial Year 2020-21.

If the company opts for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions: -

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub –section (1) of section 32 (Additional Depreciation)
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

- Deduction under sub-clause (ii) or sub-clause (iia) or sub clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
- No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

Vii. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

Special indirect tax benefit available to the Company

The Company avails the following tax benefits:

Duty Drawback on export of Goods is available to the Company.

We are informed that the company is not yet enjoying any benefits of Free Trade Agreements (FTA) on its imports

Special tax benefits available to the Company

The shareholder of the Company are not entitled to any special tax benefits under indirect tax laws

Notes:

1. The above statement of possible Indirect tax benefits set out the provisions of Tax Laws.
2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views.

For Bhushan Khot & Co.
Chartered Accountants
FRN: 116888W

Sd/-
CA Rohit Fulwani
(Partner)
Membership No. 189192

Place: Mumbai
Date: 11.11.2022

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICE LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')

a. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For Bhushan Khot & Co.
Chartered Accountants
FRN: 116888W

Sd/-
CA Rohit Fulwani
(Partner)
Membership No. 189192

Place: Mumbai
Date: 11.11.2022

SECTION VI- ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

Indian Economy - Overview

The Indian economy has suffered extensively due to COVID-19, with lockdowns adversely affecting all sectors, particularly the un-organized. Most software and professional services companies closed down their campuses. A large part of the urban workforce migrated to native places, delivering a serious blow to the already distressed construction and manufacturing industries. India facility management market to cross \$ 100 billion by 2023. Anticipated growth in the market can be attributed to an increase in construction activities across commercial as well as residential sector. Moreover, various initiatives by Government to provide housing for all citizens and development of smart cities in India are further expected to positively influence India facility management market in the coming years. Furthermore, rising population across tier 1 cities and continuing growth in IT/ITeS and banking sectors would further steer India facility management market during the forecast period.

Facility Management Services Growth and Market Potential:

India facility management market to cross \$ 100 billion by 2023, anticipated growth in the market can be attributed to an increase in construction activities across commercial as well as residential sector. Moreover, various initiatives by Government to provide housing for all citizens and development of smart cities in India are further expected to positively influence India facility management market in the coming years. Furthermore, rising population across tier 1 cities and continuing growth in IT/ITeS and banking sectors would further steer India facility management market during the forecast period. The market is dominated by unorganized players.



Facility management industry is gaining huge importance in India due to rising population, rapid urbanisation, favourable government initiatives. Globally, the facility management industry was valued at 1234.55 U.S. billion dollars in 2020, keeping the positive factors in mind it is expected that the market will reach to 1759.25 U.S. billion dollars in 2028.

Cumulative market revenue for FM services in India is expected to grow at a CAGR of 23.4% from FY2019 to FY2024. FM companies can gain a competitive advantage by focusing on energy management services. Integrated facility management (IFM) service contracts between vendors and end-users will become a major trend.

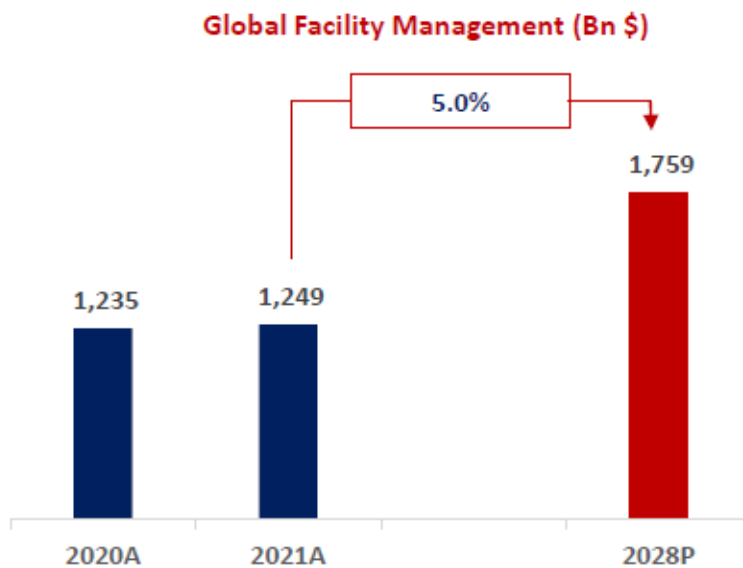
The Services are broken up into a few broad categories –

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

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

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

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



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

Multiple drivers of Growth:

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

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

Increased outsourcing: The growth of the facility services market is supported by a general trend towards outsourcing of facility service functions as customer verticals are choosing, at varying rates, to focus on their core activities, and consequently outsourcing rates increase. Drivers of the decision for the customer to outsource include a lack of in-house

resources and expertise or a desire to provide convenience, improve service quality and efficiency, reduce costs and manage risks.

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

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

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

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

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

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

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

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

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

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

Industry Trend by ISS world

Security Services Growth and Market Potential:

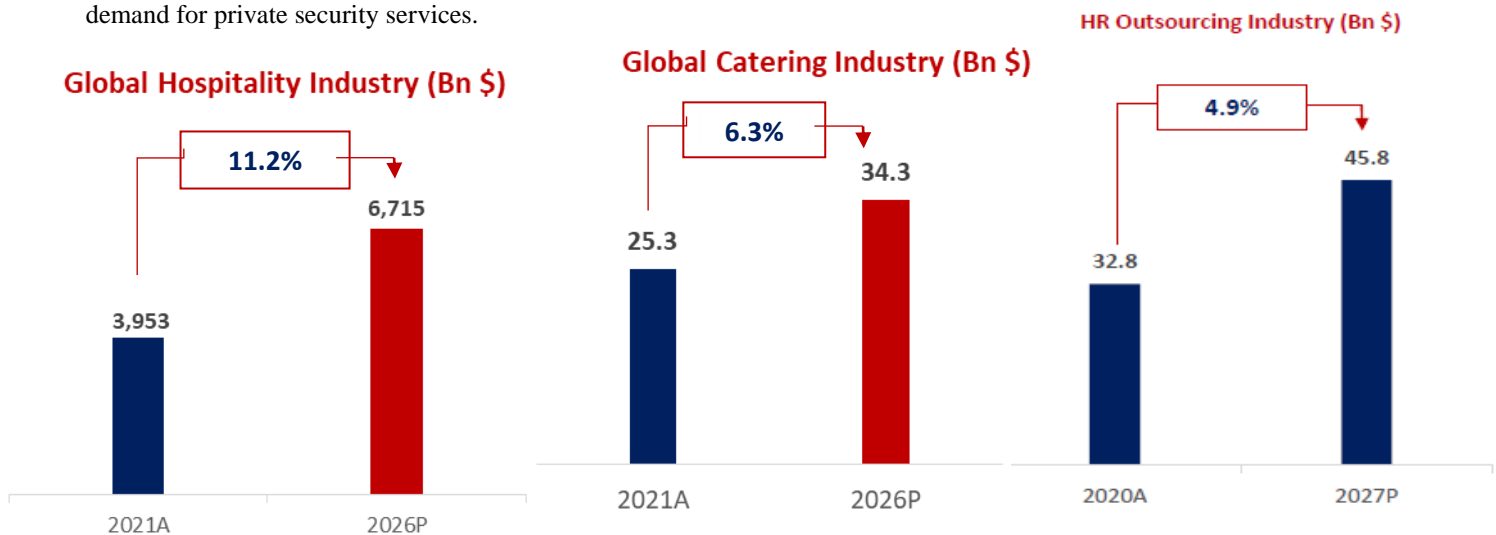
The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The Indian industry is still nascent and is likely to see exponential growth both in terms of manpower employed and market share due to rapid infrastructural and

economic development, leading to an increased need for prevention, detection and protection of assets and citizens against criminal acts such as fraud, terrorism, theft, drug-related offences and violent crimes. Yet another factor adding to the demand is the increase in individuals joining the billionaire league and seeking private protection at all times.

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

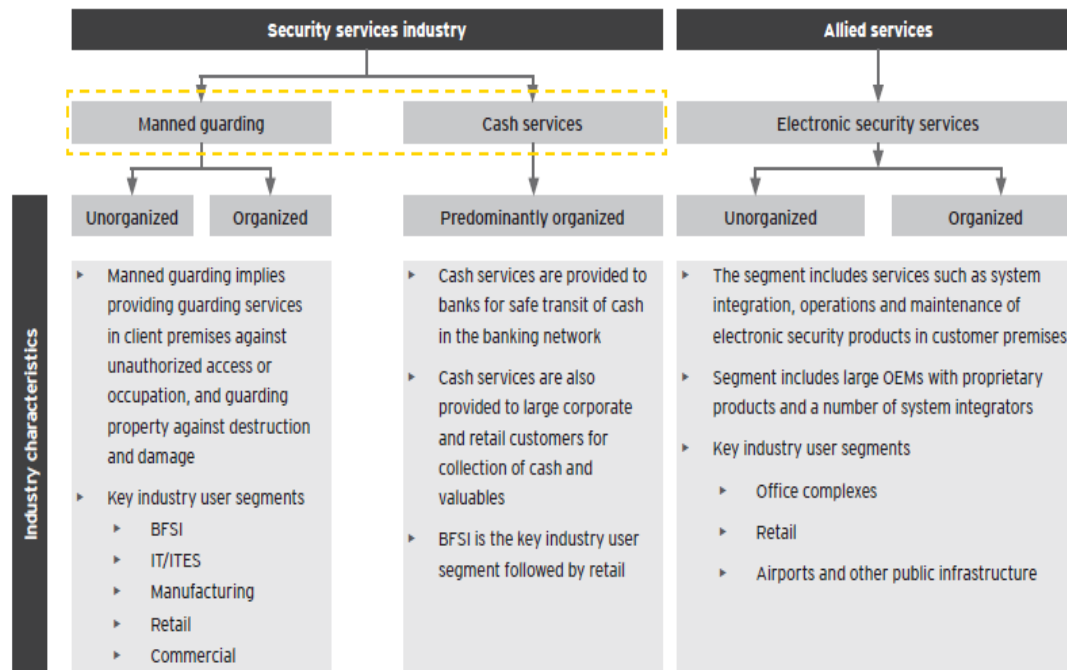
The demand for security services is fuelled by an increasing rate of urbanization, improving foreign investment activity and growing middle class owning assets they wish to protect. Fear of terrorism and crime has also fuelled this demand.

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



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

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



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

The Indian integrated security industry has been broadly classified into:

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

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

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

Importance of security industry:

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

Key factors favoring demand for private security services in India:

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

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

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

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

Increase in the number of public events

In India, the number of instances of public events have also witnessed a significant growth, creating a direct need for the private security services in the form of crowd management and security. Sports events such as Indian Premier League, Hockey India League, Badminton League attract huge crowd and eventually create a direct demand for increased security.

The country has also witnessed increase in the number of entertainment related events which are again substantial crowd puller events .These events are inevitable to manage without the involvement of private security agencies.

Construction is the second largest economic activity in India after agriculture, and has been growing rapidly

Construction services require a lot of security services primarily manned guarding Increase in townships, housing, built-up infrastructure and construction development projects The number of hotels, malls, hospitals, religious places and other public places have shown an increase in the last few years, and a lot of private security services are required to cater to the security of these places.

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

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

Government initiatives

Compulsory security in schools

The Ministry of Home Affairs has issued compulsory security guidelines Each school gate should be manned by at least 3 security guards on a 24 hours basis.

Installation of CCTV systems all along the boundary as well as some additional locations inside the premises

Currently, there are around 15 lakh education institutions in India. So, there is a huge scope for the growth of private security services

Increased emphasis on women security

Government has laid emphasis on women security to eliminate the crime against women. Some of the states are planning to set up Mahila Suraksha Dal or Women Security Force. The other states may want to replicate it

There are also plans of having 5000 bus marshals to prevent and deter crime in public transport

The Delhi Government is also planning to install CCTVs in public spaces and buses. This will lead to increase in demand for private security services in India

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

With the introduction of Smart Cities initiative by Government of India, around 100 smart cities are envisaged by the government with a total public investment of around INR 48,000 crore. Public safety and security shall be paramount for city administrations. This would include protection against crime, natural disasters, accidents or terrorism. The concept of smart cities imbibes the four principles of planning viz. physical infrastructure, social infrastructure, institutional infrastructure and economic infrastructure. Institutional infrastructure has laid down security as one of its important pillars

Also with 'Make in India', the growth of industrial sector is inevitable. Hence, the opportunity for private security services in these Greenfield as well as Brownfield projects is significant.

The newly built smart grids and related infrastructure shall need protection from attacks that could cause severe stoppages to cities, public communities, industrial sites and essential services

Increased concern for personal safety

With the increase in the high income level category, there has been a direct growth in the need for private security services. More people have started feeling the need of increased escort services and personal guards. Home guarding has also witnessed a significant growth in the last few years. Increased urbanization and job opportunities for women have also resulted in increased opportunity for escort services that include trained security personnel.

Potential for increase in security advisory services

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

Low cost of services

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

Sources:

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

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

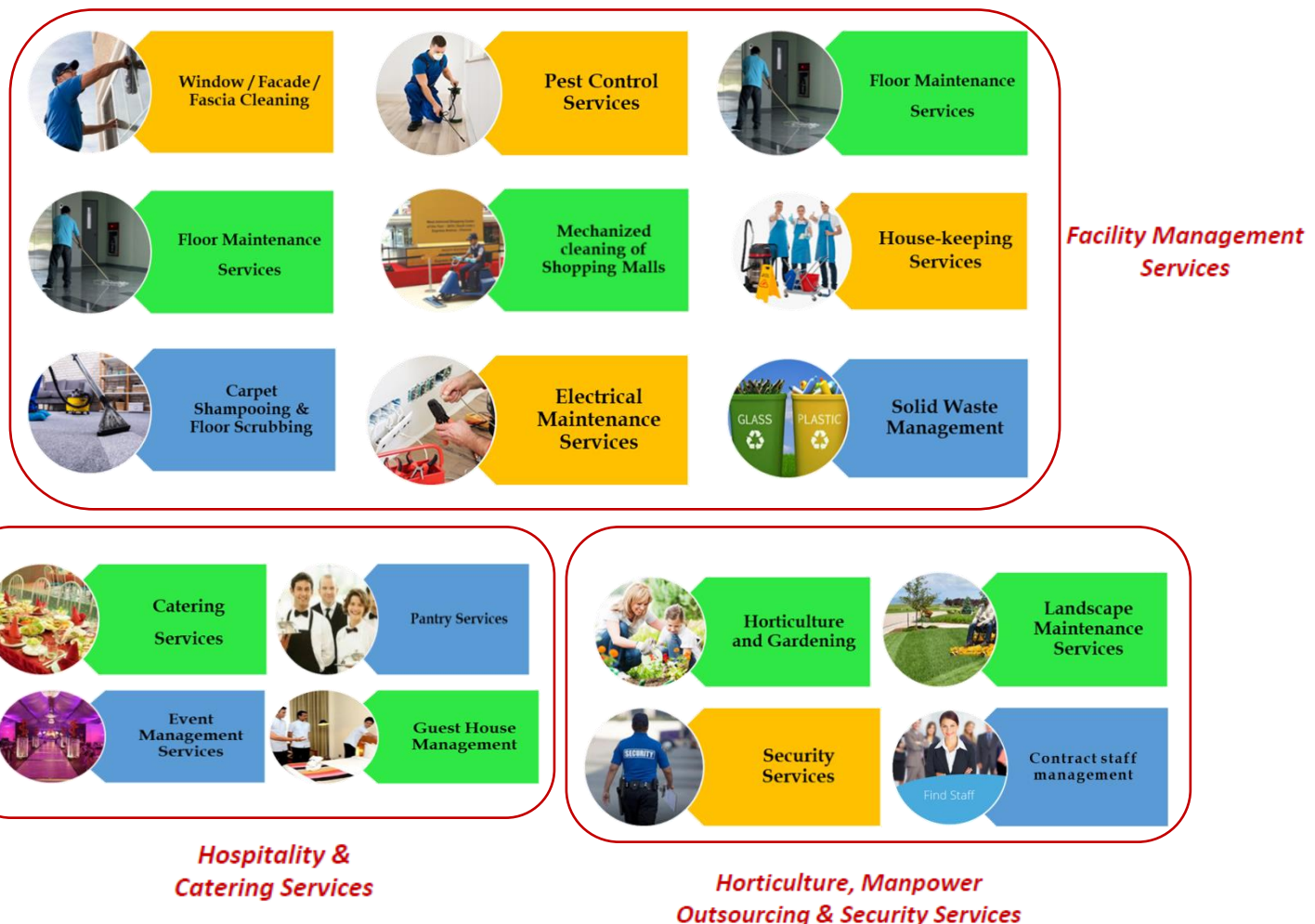
http://www.grantthornton.in/globalassets/1.-member_firms/india/assets/pdfs/private_security_services_industry_in_india.pdf

OUR BUSINESS

Overview

Our Company, KHFM Hospitality and Facility Management Services Limited ('KHFM') was incorporated in the year 2006. We are one of the reputed integrated business services providers focused on providing integrated hospitality and facility management services (IHFM). We provide the entire range of hospitality and facility management services including mechanized housekeeping, guesthouse management, pest control, gardening and security service, etc. The IHFM segment of our services provide integrated hospitality and facility management solutions to corporates including MNCs, government organizations like Railways, Municipal Corporations Public Sector Undertakings (PSUs) and other commercial establishments.

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



As on September 30, 2022, we have a healthy order book of INR ~2481 Mn serving across 10 states in PAN India to various clients. Our clients span various industries including education sector, Municipal Corporations, Railway Stations, Amusement and Water Parks, Banks, Airport, Government Guest-houses, among others.

Our Company is promoted by Mr. Ravindra Malinga Hegde and Mrs. Sujata Ravindra Hedge, who have over 3 decades of experience in service industry. Mr. Ravindra Hedge, the main Promoter of our Company, has been instrumental in our growth. Our senior management comprises individuals, including national heads who lead the different verticals within our IHFM solutions offerings, with significant experience in the IHFM services industry and who have been associated with our Company on an average for 15 years.

Initially, we began with the most basic of services such as cleaning, hospitality and over the period we added layers to the teams' skill sets to successfully bid for high skilled contracts such as mechanized housekeeping, landscaping & gardening,

guesthouse management, pest control, and security service & more. The management and executive team understood the constantly evolving needs of the industry and invested in continuously skilling their team to take up new responsibilities.

Headquartered in Mumbai, we have a pan-India presence across 10 states covering 21 cities through a network of site offices. As of September 30, 2022, we employed appx. 3,513 employees, including over 304 employees hired by our Company ('Core Employees') and over 3,209 employees hired on contract basis ('Associate Employees'). Optimum combination of human resource pool backed by integrity, KHFM provides a comprehensive array of Hospitality and Facilities Management to endow our clients with an unmatched feeling of cleanliness and hygiene for a healthy Life. Keeping in trend with time and technology, we proactively design and implement training modules, to reinforce our client's trust in us. Over the last decade, our strength has grown in numbers as well as widening our spectrum of Hospitality and Facilities Management to an extent where KHFM has become an Integrated Facility Management Solution Provider.

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

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

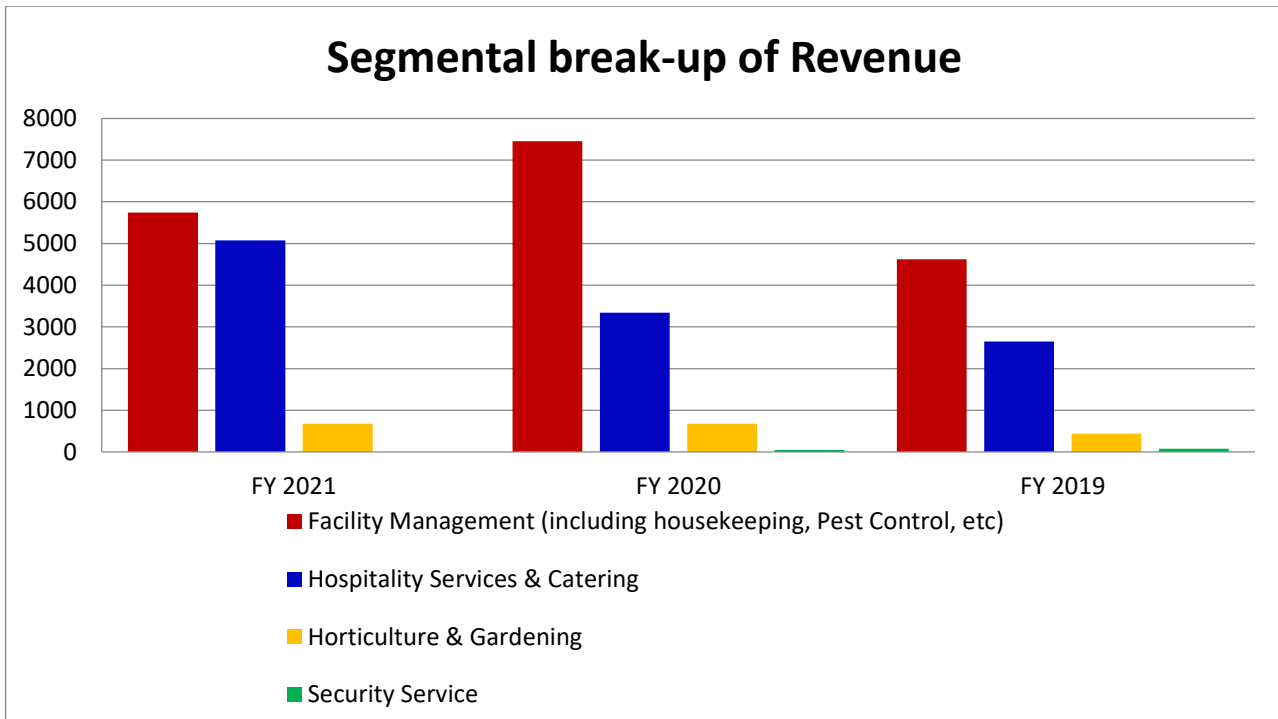
We operate on an asset-light model with low capital expenditure requirement and high working capital requirements. Currently majority of our revenues is from deployment of personnel for soft services comprising of housekeeping services, Facility Management and Hospitality Services, Guest House Management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

Financial Snapshot

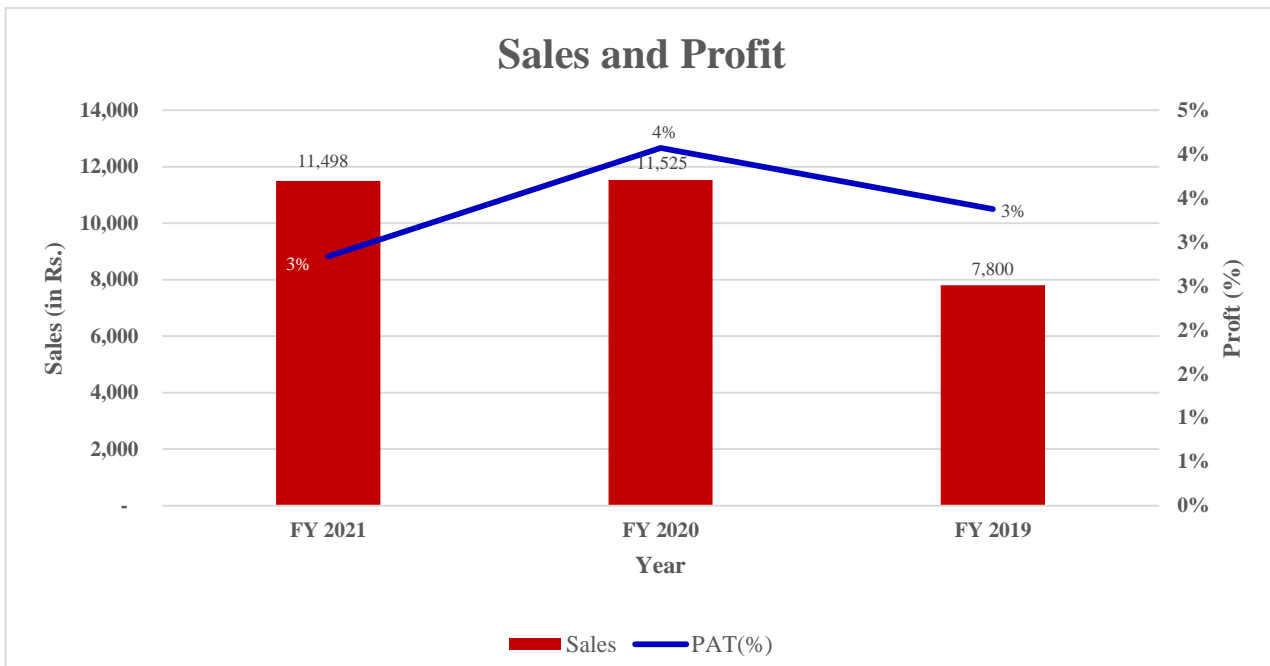
Segmental break-up of Revenue from Operation

(₹ in lakh)

Service Type	FY 2022	FY 2021	FY 2020
Facility Management (including housekeeping, Pest Control, etc)	6,266.18	5,744.92	7,451.01
Hospitality Services & Catering	3,319.18	5,076.57	3,343.18
Horticulture & Gardening	606.55	676.82	677.40
Security Service	-	-	53.31



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



Our Services

The list of services offered are as detailed below:

✚ Facility Management – Appx 30 lac sq.ft. of total area covered

- Mechanized house-keeping - We provide Mechanised House Keeping Service by using Modern Machineries like, ride on Scrubber Drier, Ride on Sweeping Machine, Auto Scrubber Drier, Single Disc Scrubbing Machines, High Pressure water Jet Machine, Wet & Dry Vaccum Cleaner , Steam Clearing Machines Carpet Shampooing Machine etc to Public Sector undertakings, Corporate, Govt. Offices etc.

- Pest Control Services - We provide Integrated Pest Control Services such as:


- 1) Termite Control
- 2) General Disinfestation treatment
- 3) Rodent Control
- 4) Wood Borer Treatment
- 5) Mosquito Control Treatment to large Municipal Corporation
- 6) Weed Control Treatment
- 7) Pre & post construction treatment

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

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

Hospitality Services & Catering

- Hospitality and Guest House Management: includes Room Service, Guest house Management, Front desk Management, Lobby Management, Laundry and Other maintenance services
- Catering Management – includes Food and beverage management. At present, the company is catering to 1050 on daily basis.
- Horticulture & Gardening - We have developed and are maintaining appx 12 lakh sq.ft on daily basis.
- Lawns Development: Different types like Bermuda Grass Lawn, Posphalam, Carpet Lawn (Kolean).
- Seasonal Flower Beds: Maintain seasonal flower beds according to different seasons & locations.
- Creepers & Ground Coversm: Different types of creepers & ground covers as per site conditions & client’s specifications.
- Green Landscaping: Undertake Landscape designing and execution on turnkey basis Prepare schedules, tender, measurements and supervision of work for, Star class Hotels and Resorts, Industrial and Corporate Landscapes and Exquisite cascades and fountains.
- Others: Rock Garden, Hardscape, Softscape, water Fountain, Tree Plantation, etc

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

LOCATION

We operate from the following premises:

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

OUR COMPETITIVE STRENGTHS

1. Experience team of professionals with domain expertise

Our Company is managed by a team of competent personnel having knowledge of core aspects of our business. Our promoter’ viz. Mr. Ravindra Malinga Hegde is a Science Graduate from Mumbai University and has attended training in Facility Management & Pest Management from USA and has also attended training from Indian Grain Institute, Hapur in Pest Entomology. He is a member of Indian Pest Control Association and Member of ISSA. He is having more than 39

years of experience in this field. He has also been awarded with Shri. Rajiv Gandhi Shiromani award on August 22, 2010 for Entrepreneurial Achievement.

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

2. Our experience and track record

With over 15 years of experience, our Company is uniquely positioned and successfully evolved and earned an enviable reputation with their consistent quality deliverance; client retention of 70%+ for last 4 years. We are an ISO 9001:2015, ISO 14001:2015, ISO 22000:2005 and OHSAS 18001:2007 certified company. We are a recognized brand name in the hospitality and facilities management space. Our experience, among other factors, enables us to get new tenders, projects and business.

3. Technology

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

4. Diverse Portfolio of services offered

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

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

5. Direct operation and widespread domestic presence

We directly undertakes all services and have very few subcontractors thereby having better services control & delivery with no hidden margins. We offer our diversified services on PAN India level wide spread across 12 states covering 32 cities through a network of site offices with In-house resources of appx 3,500 people. The sale of our services is therefore not dependent on any particulars region or state.

OUR BUSINESS STRATEGY

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

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

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

2. Focus on increasing geographical presence

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

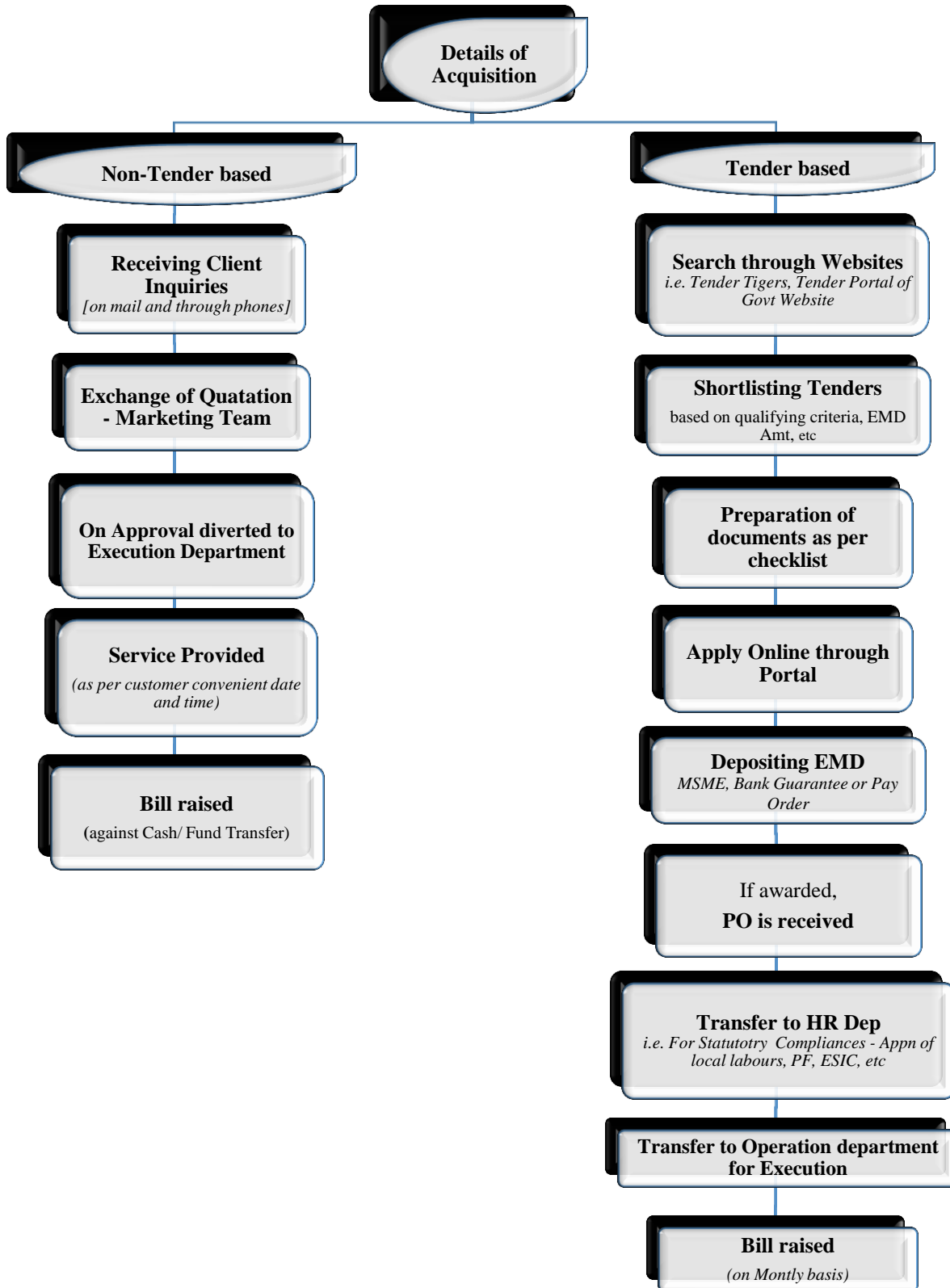
3. Enhancing our existing customer base and continue to develop Client & Vendor relationships

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

4. To continue focus on providing Quality Services

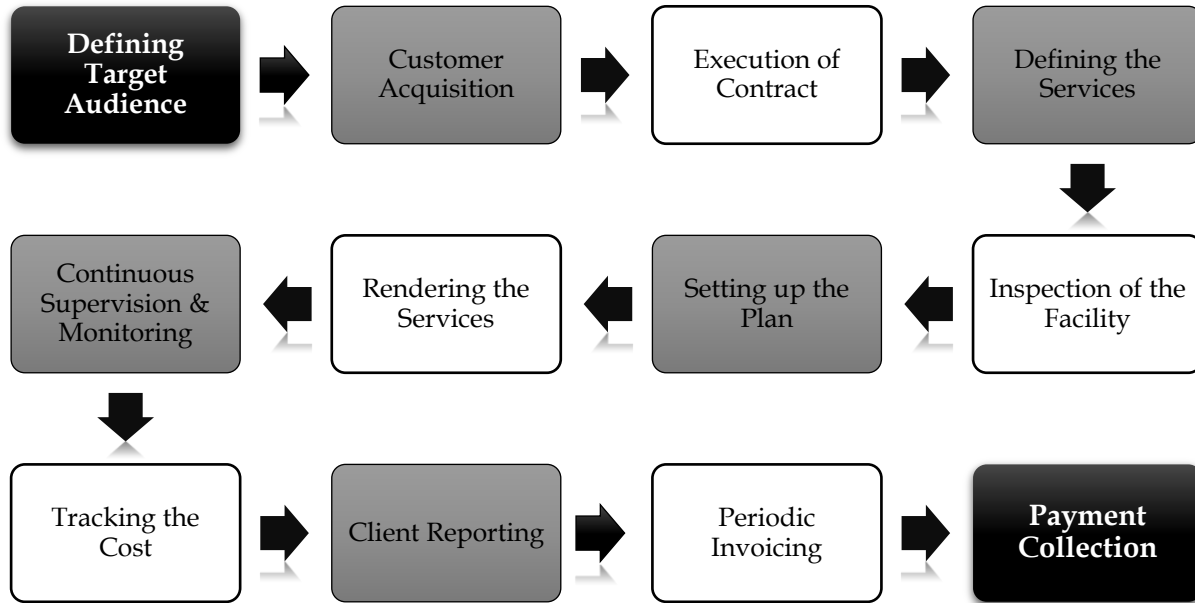
Our one of the significant business strategy is to continue providing high quality solutions there by maximizing customer satisfaction in all our business segments. We believe that this strategy can help strengthen our ability to engage in complex projects.

DETAILS OF ACQUISITION OF PROJECT



TECHNOLOGY & PROCESS

Facility Management Process



Plant and Machineries

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

Collaborations

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

Infrastructure Facilities

Talent Acquisition/Manpower

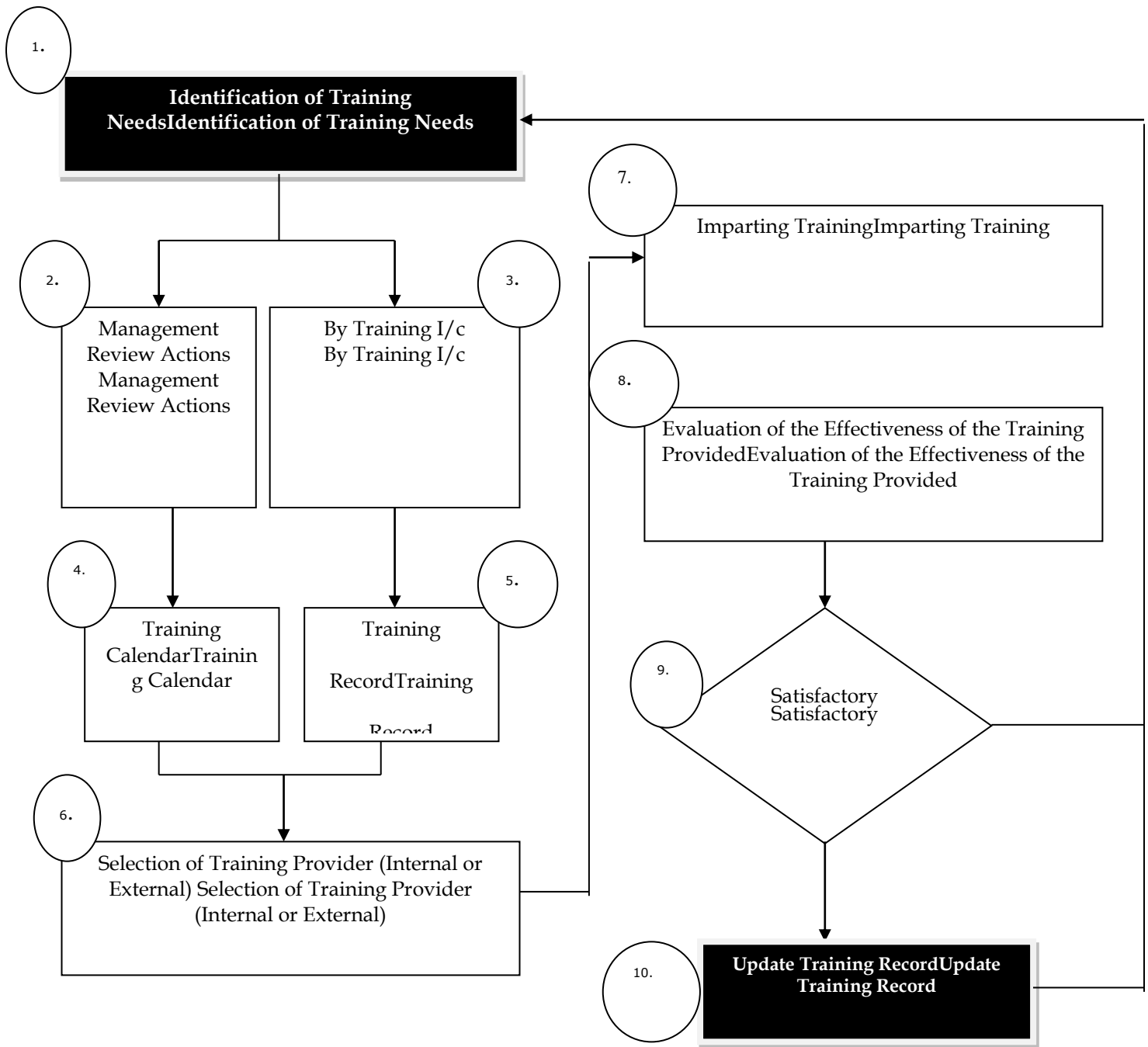
We use multipronged approach to recruitment-internal recruitment team, employee referrals, print ads, recruitment partners etc. We also do Systematic on-boarding and background verifications.

Raw Material

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

Training

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



Utilities

Power

Our operations are not power intensive.

Human Resource

As on June 31, 2022; Company had total of 3,513 employees other than our Directors. The detailed break-up of our employees is as under:

Details	Total
Employees hired by Company	304
Contractual Employees	3209
Total	3513

Segment wise employee breakup

Sr. No	Name of Sector	No of Employees
1	Facility Management	2588
2	Hospitality Services and Catering	632
3	Horticulture and Gardening	249
4	Security Service	44
	Total	3513

Process of Labour recruitment of employees, range of salary, payment method, labour turnover: -

Our Facility Manager & HR team recruits labourers from local area or existing workers working at site at present. Labourer's credentials are much verified & their Police Verification, and two references are obtained before recruiting them for the Job. All our labourers are paid prevailing minimum wages as per the applicable central/state govt. directives. Labourers work with us till our contract period only & once the contract is over, they leave the employment of the company.

Payment method: All are labour salary payments are done through Bank Transfer.

Labour turnover at sites is generally in the range of 5 to 10% contractually.

Past Production Figures Industry-wise

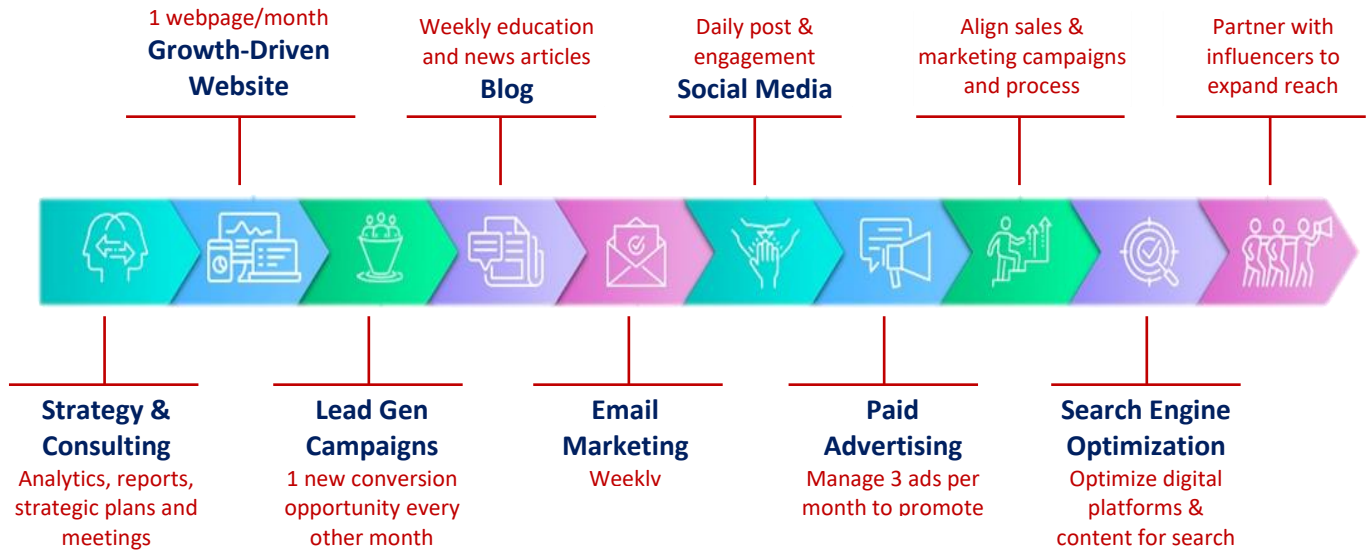
The industry is highly fragmented and is dominated by large number of players. For details of the industry data please refer to section titles 'Industry Overview' beginning on page 58.

Competition

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

Approach to Marketing and Marketing Set-up

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



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

Future Prospects

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


Capacity and Capacity Utilization

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

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

Intellectual Property

Our Company is operating its business under its registered trademark  .

Insurance

Our Company maintains insurance against various risks inherent in our business activities i.e. Standard Fire and Special Perils (Office Building, Plant & Machinery, Stock), Money Insurance, etc. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks

associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully in part or on time that we have taken out sufficient insurance to cover all our losses.

OUR MANAGEMENT

Board of Directors

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

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

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
<p>Mr. Ravindra Malinga Hegde</p> <p><u>Designation:</u> Managing Director</p> <p><u>Address:</u> F-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai-400060</p> <p><u>Date of Appointment:</u> January 27, 2006</p> <p><u>Term:</u> Appointment as Managing Director for Five (5) years <i>w.e.f.</i> August 24, 2018 (Liable to retire by rotation).</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 01821002</p> <p><u>Permanent Account Number:</u> AAAPH0808D</p>	<p>64 years</p>	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ KHFM HR Consultancy Private Limited ▪ Khfm Infra Projects Private Limited <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mrs. Sujata Ravindra Hegde</p> <p><u>Designation:</u> Executive Director</p> <p><u>Address:</u> F-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p><u>Date of Appointment:</u> January 27, 2006</p> <p><u>Term:</u> Since Incorporation (Liable to retire by rotation)</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 01829352</p> <p><u>Permanent Account Number:</u> ABIPH7988P</p>	<p>54 years</p>	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ KHFM HR Consultancy Private Limited <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ <u>Nil</u>

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
<p>Mr. Saurav Ravindra Hegde</p> <p><u>Designation:</u> Executive Director</p> <p><u>Address:</u> F-2504, Bldg No. 1, Oberoi Splendor, J V Link Road, Opp. Majas Depot, Jogeshwari (E), Mumbai 400060</p> <p><u>Date of Appointment:</u> April 23, 2018</p> <p><u>Term:</u> Liable to retire by rotation.</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Student</p> <p><u>DIN:</u> 08116567</p> <p><u>Permanent Account Number:</u> AMGPH7370C</p>	26 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Girish Gobindram Ramnani</p> <p><u>Designation:</u> Independent Director</p> <p><u>Address:</u> Flat No. A-501, Gokul Nagari II, ABCHS Ltd, Near Sai Star cable, Thakur Village, Kandivali, Mumbai-400101.</p> <p><u>Date of Appointment:</u> October 29, 2021</p> <p><u>Term:</u> Five (5) years <i>w.e.f.</i> October 29, 2021</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Profession</p> <p><u>DIN:</u> 09362318</p> <p><u>Permanent Account Number:</u> ADKPR2740P</p>	48 years	<p><u>Public Limited Entities:</u></p> <p>Nil</p> <p><u>Private Limited Entities:</u></p> <p>Nil</p> <p><u>Foreign Entities:</u></p> <p>Nil</p>
<p>Mr. Brahm Pal Singh</p> <p><u>Designation:</u> Independent Director</p> <p><u>Address:</u> A-304, Bhoomi Hills CHS, Thakur Village, Mumbai 400 101, Maharashtra, India.</p> <p><u>Date of Appointment:</u> August 24, 2018</p> <p><u>Term:</u> Five (5) years <i>w.e.f.</i> August 24, 2018 (Liable to retire by rotation)</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Retired ONGC Employee</p> <p><u>DIN:</u> 08045923</p>	65 years	<p><u>Public Limited Entities:</u></p> <p>Nil</p> <p><u>Private Limited Entities:</u></p> <p>Oceira offshore Private Limited</p> <p><u>Foreign Entities:</u></p> <p>Nil</p>

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
Permanent Account Number: AIZPS7899E		
<p>Mr. Kapildeo Ramswarup Agrawal</p> <p><u>Designation:</u> Independent Director</p> <p><u>Address:</u> 303, Ganga Preet, ITI Road, Behind Saraswat Bank, Aundh, Pune 411 007, Maharashtra, India.</p> <p><u>Date of Appointment:</u> July 21, 2012</p> <p><u>Term:</u> Five (5) years w.e.f. July 21, 2022</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Profession</p> <p><u>DIN:</u> 09679952</p> <p><u>Permanent Account Number:</u> AGFPA1770J</p>	40 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil

Family Relationships between the Directors

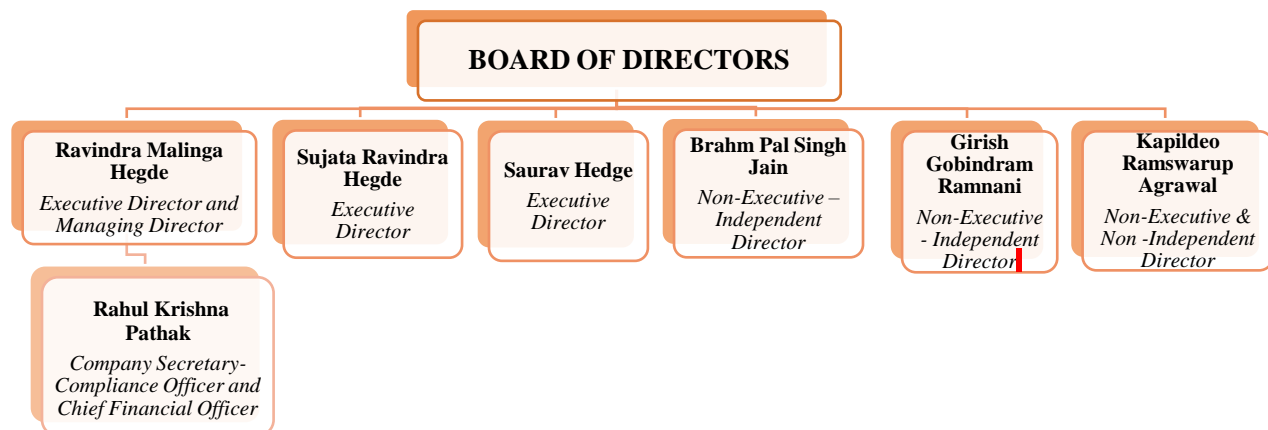
None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act except as set out below:

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

Service Contracts

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

Management Organizational Structure



Status of Key Management Personnel in our Company

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

Relationship amongst the Key Managerial Personnel of our Company

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

Details of Service Contracts of the Key Managerial Personnel

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

HISTORY AND CERTAIN CORPORATED MATTER

BRIEF HISTORY AND BACKGROUND

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra on January 27, 2006 with the name Kalpataru’s Hospitality & Facility Management Service Private Limited. The Company was promoted by Mr. Ravindra Malinga Hegde and Mrs. Sujata Ravindra Hegde. Further, our Company changed its name pursuant to approval of the shareholders at an extraordinary general meeting held on July 18, 2012 and consequently, the name of our Company was changed to KHFM Hospitality and Facility Management Services Private Limited and a fresh certificate of incorporation was issued by Registrar of Companies, Mumbai, Maharashtra on August 10, 2012. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 18, 2018 and consequently, the name of our Company was changed to KHFM Hospitality and Facility Management Services Limited and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Mumbai, Maharashtra on May 30, 2018. Our Corporate Identification Number is L74930MH2006PLC159290.

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

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

Ravindra Malinga Hegde and Sujata Ravindra Hegde are the existing Promoters of our Company holding 56,47,978 and 9,85,800 Equity Shares respectively aggregating to 56.35% and 9.84% respectively of the pre-issue, subscribed and paid-up equity share capital of our Company.

CHANGE IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

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

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

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

Our Main Object

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

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

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

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

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

<p><u>Change in authorised share capital:</u></p> <p>Clause V of the MoA was amended to reflect the Increase in authorized share capital from ₹ 12,00,00,000 (Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lakh) Equity shares of ₹ 10/- each to ₹ 21,00,00,000 (Twenty-One Crores) divided into 2,10,00,000 (Two Crores Ten Lakh) Equity shares of ₹ 10/- each.</p>	<p>29.09.2022</p>	<p>AGM</p>
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ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY

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

Further, Company have amended the Article 14(1) to give effect for renunciability rights to the shareholder for Rights entitlements provided by the company, in the Extra-Ordinary General Meeting of the Company dated October 28, 2022.

Shareholders of our Company

As on the date of this Letter of Offer, our Company has Two Hundred and Eighty-Eight (303) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled ‘Capital Structure’ beginning on page 45 of this Letter of Offer

MAJOR EVENTS

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

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

Other Details regarding our Company

For information on our activities, services, growth, technology, geographical presence, market, managerial competence, our standing with reference to our prominent competitors and major customers and suppliers, please refer to sections titled ‘Our Business’, ‘Industry Overview’ and ‘Risk Factors’ beginning on pages 65, 58 and 21; respectively of this Letter of Offer.

For details of our management, please refer to section titled ‘Our Management’ beginning on page 77 of this Letter of Offer.

Capital raising activities through equity or debt

Except as set out in the sections titled ‘Capital Structure’ on page 45 of this Letter of Offer, our Company has not raised any capital in the form of Equity Shares or debentures.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

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

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

Revaluation of Assets

Our Company has not revalued its assets as on the date of this Letter of Offer.

Awards and Accreditations

We have not received the following Awards and accreditations as on the date of this Letter of Offer

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

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

Injunction or restraining order

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

Lock outs and strikes

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

Time and cost overruns

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

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

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

Other Agreements

Except the agreements disclosed above under 'Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.' beginning on page 84 of this Letter of Offer, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two (2) years preceding this Letter of Offer.

Holding Company of our Company

As on the date of this Letter of Offer, our Company is not a subsidiary of any Company.

Subsidiary of our Company

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

Material Transactions

Other than as disclosed under section titled '*Financial Statements - Statement of Related Party Transactions*' beginning on page 111 of this Letter of Offer, there are no sales or purchase between our Company and our Subsidiary where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common pursuits

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

Collaboration Agreements

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

Shareholders' Agreements

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

Material Agreements

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

Joint Ventures of our Company

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

Strategic and Financial Partners

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

DIVIDEND POLICY

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

Below are the details of the Dividend declared and paid during the last 5 financial years;

Particulars	For the year ended				
	2018	2019	2020	2021	2022
Face Value of Equity Shares (Rs. Per Share)	N.A.	10/-	10/-	N.A.	N.A.
Interim Dividend on Equity Shares	N.A.	0	0	N.A.	N.A.
Final Dividend on Equity Shares	N.A.	0.5	0.25	N.A.	N.A.
Total Dividend on Equity Shares	N.A.	0.5	0.25	N.A.	N.A.
Dividend Rate	N.A.	5%	2.50%	N.A.	N.A.
Dividend Tax	N.A.	9,96,829.00	Not Applicable	N.A.	N.A.

SECTION VII- FINANCIAL INFORMATION OF THE COMPANY
M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
BALANCE SHEET AS AT 31ST MARCH, 2022
(Rs. in Lakhs)

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
A	ASSETS			
	Non-Current Assets			
	(a) Property, Plant and Equipment	3	146.16	137.55
	(b) Right- of - Use Assets		-	-
	(c) Capital Work in Progress		-	-
	(d) Investment properties	3(a)	59.01	62.03
	(e) Goodwill			
	(f) Other Intangible Assets	3	3.66	0.52
	(g) Intangible Assets Under Development		-	-
	(h) Biological assets other than Bearer plants		-	-
	(i) Financial Assets			
	(i) Investments	4	5.50	5.00
	(ii) Trade Receivables	8	663.60	1,360.08
	(iii) Other Financial Assets	5	1,253.84	1,058.17
	(j) Deferred Tax Assets (Net)	6	399.03	217.06
	(k) Other Non-Current Assets			
	SUB-TOTAL		2,530.80	2,840.40
	Current Assets			
	(a) Inventories	7	1.66	27.75
	(b) Financial Assets			
	(i) Investments			
	(i) Trade Receivables	8	1,709.19	2,077.43
	(ii) Cash and Cash Equivalents	9	976.06	521.50
	(iii) Bank Balances other than (ii) above		-	-
	(iv) Other Financial Assets		-	-
	(c) Current Tax Assets (Net)	10	391.87	190.54
	(d) Other Current Assets	11	3,055.49	3,789.79
	SUB-TOTAL		6,134.27	6,607.02
	Non Current Assets Classified as Held for sale			
	Total Assets		8,665.08	9,447.42
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	12	1,002.23	969.90
	(b) Other Equity	13	867.51	2,851.20
			1,869.74	3,821.10
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	1,474.96	1,208.83
	(ii) Other Financial Liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax Liabilities (Net)		-	-
	(d) Other Non-Current Liabilities	15	5.85	18.65
			1,480.81	1,227.48
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	3,197.93	1,806.49
	(ii) Trade Payables	17	512.55	531.01
	(iii) Other Financial Liabilities	18	600.25	981.65
	(c) Provisions	19	662.80	710.19
	(d) Other Current Liabilities	20	340.99	369.51
			5,314.52	4,398.85
	Total Equity and Liabilities		8,665.08	9,447.42

The accompanying notes (1 to 52) are an integral part of the financial statements

As per our Attached report of even date

For BHUSHAN KHOT & CO
Chartered Accountants
(FRN: 116888 W)
Sd/-
Bhushan Khot
Partner
M. No. 101858
UDIN: 22101858AKZKFJ1679
Place: Mumbai
Date: 15th June, 2022
For and on behalf of Board of
KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
Sd/-
Ravindra Malinga Hegde
Managing Director
DIN No. - 01821002
Sd/-
Naveen Carvallo
Chief Financial Officer
Sd/-
Sujata Ravindra Hegde
Director
DIN No. - 01829352
Sd/-
Rahul Pathak
Company Secretary

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars		Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from Operations	21	9,642.24	11,498.31
II	Other Income	22	63.19	41.18
III	Total Income (I+II)		9,705.43	11,539.49
IV	EXPENSES			
	Employee Benefits Expense	23	5,654.40	5,841.35
	Finance Costs	24	571.78	510.29
	Depreciation and Amortization Expense	25	49.53	29.19
	Other Expenses *	26	5,530.07	4,926.90
	Total Expenses (IV)		11,805.77	11,307.73
V	Profit/(loss) before exceptional items and tax (III- IV)		(2,100.35)	231.76
VI	Exceptional Items			
VII	Profit/(Loss) before Tax (V-VI)		(2,100.35)	231.76
VIII	Tax Expense:	27		
	(1) Current Tax		-	58.49
	(2) Reversal of Provision of Income Tax		8.13	39.58
	(3) Deferred Tax		(187.12)	(192.56)
	Total Tax Expense		(178.99)	(94.49)
IX	Profit (Loss) for the period (VII-VIII)		(1,921.36)	326.24
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		24.85	(10.81)
	(2) Income tax relating to items that will not be reclassified to Statement of Profit & Loss		-	2.72
	(3) Items that will be reclassified subsequently to Statement of Profit & Loss			
XI	Total Comprehensive Income for the period (IX+X)		(1,946.21)	334.34
XII	Earnings per Equity Share	28		
	(Face Value Rs 10/- Per Share) (Rupees)			
	(1) Basic		(19.62)	3.36
	(2) Diluted		(19.62)	3.36

* Other Expenses include allowances for Bad & Doubtful Debts

As per our Attached report of even date

For **BHUSHAN KHOT & CO**
 Chartered Accountants
 (FRN: 116888 W)
 Sd/-
Bhushan Khot
 Partner
 M. No. 101858
 UDIN: 22101858AKZKFJ1679
 Place: Mumbai
 Date: 15th June, 2022

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

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

Sd/-
 Naveen Carvalho
 Chief Financial Officer

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

Sd/-
Rahul Pathak
 Company Secretary

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
STATEMENT OF CHANGES IN EQUITY

A Equity Share Capital

Rs in Lakhs

Balance at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at April 1, 2022
969.90	-	969.90	32.33	1,002

Balance at March 31, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year*	Balance as at April 1, 2021
969.90	-	969.90	-	969.90

B Other Equity

Rs in Lakhs

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, 2020	687.23	1,859.24	-	1.96	2,548.43
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2020	-	-	-	-	-
Profit/(Loss) for the year	-	326.24	-	-	326.24
Less: Bonus Issue	-	-	-	-	-
Other Comprehensive income/(losses)	-	-	-	8.09	8.09
Total Comprehensive Income for the year	-	326.24	-	8.09	334.34
Dividend (including tax)	-	(24.25)	-	-	(24.25)
Issue of shares	-	-	-	-	-
Transfer from share issue expenses to securities premium	-	-	-	-	-
IPO/Share issue expenses	-	-	-	-	-
Deferred tax on share issue expense	(7.32)	-	-	-	(7.32)
Closing Balance as at 31st March, 2021	679.91	2,161.23	-	10.06	2,851.20
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2021	679.91	2,161.23	-	10.06	2,851.20
Profit/(Loss) for the period	-	(1,921.36)	-	-	(1,921.36)
Other Comprehensive income/(losses)	-	-	-	(24.85)	(24.85)
Total Comprehensive Income for the Year	-	(1,921.36)	-	(24.85)	(1,946.21)
Deferred tax on share issue expense	(5.15)	-	-	-	(5.15)
Less: Bonus Issue	(32.33)	-	-	-	(32.33)
Dividend (including tax)	-	-	-	-	-
Closing Balance as at 31st March 2022	642.43	239.87	-	(14.79)	867.51

Remeasurement gain (net) on defined benefit plan Loss Rs. 24.85 Lakhs (2021 Rs. 8.09 Lakhs) has been recognised during the year as part of retained earnings

C. Description of the nature and purpose of Other Equity

Retained Earnings: Retained earnings comprises of accumulated balance of profit / (losses) of current and prior years including transfer made to / from other reserves from time to time. The reserves can be utilised or distributed by the Company in accordance with the provisions of the Companies Act 2013.

As per our Attached report of even date

For **BHUSHAN KHOT & CO**
 Chartered Accountants
 (FRN: 116888 W)
 Sd/-
Bhushan Khot
 Partner
 M. No. 101858
 UDIN: 22101858AKZKFJ1679
 Place: Mumbai
 Date: 15th June, 2022

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

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

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

Sd/-
Naveen Carvalho
 Chief Financial Officer

Sd/-
Rahul Pathak
 Company Secretary

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

CASH FLOW STATEMENT

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(2,100.35)	231.76
Adjustment for:		
Depreciation and Amortization Expense	49.53	29.19
Finance cost	571.78	510.29
Interest paid on Security Deposit		
Allowance for Doubtful Debts	755.81	805.35
Balances Written Back		
Reversal of Allowance for Doubtful Debts		
Profit on sale of Property, Plant & Equipment	(4.16)	
Re-measurement (Gain)/Loss on Defined Benefit Plan	(24.85)	10.81
Interest Income on Fixed Deposit and Income Tax Refund	(35.23)	(24.85)
Operating Profit before Working Capital changes	(787.46)	1,562.55
Adjustment for:		
(Increase)/decrease in Trade Receivables	308.90	(631.80)
(Increase)/decrease in Other Current Financial Assets	-	(0.06)
(Increase)/decrease in Non-Current Loans		
(Increase)/decrease in Other Non-Current Financial Assets	(196.18)	(198.15)
(Increase)/decrease in Other Current Assets	524.85	(1,405.30)
(Increase)/decrease in Non-Current Assets		
(Increase)/decrease in Inventories	26.09	65.22
Increase/(decrease) in Trade-Payable	(18.46)	(63.74)
Increase/(decrease) in Other Current Financial Liability	1,010.03	176.02
Increase/(decrease) in Non Current Liability	(12.80)	18.65
Increase/(decrease) in Provision	(47.38)	303.83
Increase/(decrease) in Other Non-Current Financial Liability	266.13	521.94
Increase/(decrease) in Current Liability	(28.52)	70.71
Increase/(decrease) in Non-Current Liability		
Cash Generated from Operations	1,045.21	419.86
Direct Taxes	-	(61.21)
Net Cash from Operating Activities (A)	1,045.21	358.65
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(59.10)	(45.61)
Sale of Property, Plant & Equipment	5.00	0.05
Fixed Deposits placed/matured/realised	(417.80)	(146.73)
Interest Received	35.23	24.85
Net Cash used in Investing Activities (B)	(436.67)	(167.44)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(571.78)	(510.29)
Dividend Paid	-	(24.25)
Dividend Distribution Tax	-	-
Proceeds from Issue of Equity Instruments	-	-
Payment For share issue related costs	-	-
Net Cash from Financing Activities (C)	(571.78)	(534.54)
Net Changes in Cash and Cash Equivalents (A+B+C)	36.77	(343.33)
Opening Balance of Cash and Cash Equivalents	67.60	410.93
Closing Balance of Cash and Cash Equivalents	104.37	67.60

Notes:-

- 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.
- Cash and Cash Equivalents at the year end comprises

Cash on Hand	97.34	29.84
In Current Account	7.03	37.76
	104.37	67.60

As per our Attached report of even date

For BHUSHAN KHOT & CO
Chartered Accountants

(FRN: 116888 W)

Sd/-

Bhushan Khot

Partner

M. No. 101858

UDIN: 22101858AKZKFJ1679

Place: Mumbai

Date: 15th June, 2022

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

Sd/-

Ravindra Malinga Hegde

Managing Director

DIN No. - 01821002

Sd/-

Naveen Carvallo

Chief Financial Officer

Sd/-

Sujata Ravindra Hegde

Director

DIN No. - 01829352

Sd/-

Rahul Pathak

Company Secretary

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
CIN – L74930MH2006PLC159290

Notes to Financial Statements for the year ended March 31, 2022

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 **L74930MH2006PLC159290**.

Nature of Operations

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

2. STATEMENT OF COMPLIANCE

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

I. BASIS OF PREPARTION AND PRESENTATION:

The 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.

• **CASH FLOW STATEMENT**

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

The 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, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 15th June, 2022.

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.

II. USE OF ESTIMATION:

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

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

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

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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 exceed 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.

(g) TAXES

(i) Current Income Taxes

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

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

(ii) Deferred Taxes

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

(h) NON CURRENT ASSETS HELD FOR SALE

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

(i) PROPERTY, PLANT 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 disclosed under Capital Work – in – Progress.

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

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

Type of Assets	Useful life as per Schedule II
Office Premises	60 Years
Equipment's (Plant & Machineries)	15 Years
Vehicles	8 Years
Motor Vehicles on Hire	6 years
Office Equipment's	15 Years
Furniture & Fixtures	10 Years
Computers (Servers & Networks)	6 Years
Software	3 years

In none of the case the residual value of an asset 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 de-recognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(j) INVESTMENT PROPERTY

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

(k) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

(l) INVENTORIES

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

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

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) EMPLOYEE BENEFITS

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

(r) LEASES

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

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

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

(s) Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

IV. Recent Pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below;

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

V. 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).

VI. FAIR VALUE MEASUREMENT

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

VII. FINANCIAL INSTRUMENTS

(a) Financial Assets

Initial recognition:

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

Subsequent recognition

(i) Financial Assets Carried at Amortized Cost

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

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

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

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

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

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

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

Derecognition

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

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

(b) Financial Liabilities

Initial recognition

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

Subsequent Recognition

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

Derecognition

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

(c) Impairment of Financial Assets

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

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

(d) Reclassification of Financial assets and Financial Liabilities

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

(e) Offsetting

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

(f) CASH & CASH EQUIVALENTS

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

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

VIII. BUSINESS COMBINATIONS

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

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

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

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

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

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

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured 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 re-measured 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 re-measured 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.

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

3

PROPERTY, PLANT AND EQUIPMENT							Intangible Assets
Description	Furniture & Fixture	Computers	Equipments \$	Motor Vehicles	Plant & Machinery *	Total	
Gross Carrying Value as at 1st April 2020	7.61	10.46	5.51	59.72	302.90	386.20	1.40
Additions	0.13	2.40	0.77	37.11	5.21	45.61	-
Disposals	-	-	0.05	-	-	0.05	-
Gross Carrying Value as at 31 March 2021	7.74	12.86	6.23	96.84	308.11	431.77	1.40
Additions	-	1.19	-	33.09	21.11	55.40	3.71
Disposals	-	-	-	0.84	-	0.84	-
Gross Carrying Value as at 31 March 2022	7.74	14.05	6.23	129.09	329.22	486.32	5.11
Accumulated Depreciation							
Balance as at 31 March 2020	6.21	7.36	3.89	51.74	199.87	269.08	
Additions	0.19	1.60	0.32	4.08	18.94	25.13	0.88
Disposal	-	-	-	-	-	-	-
Balance as at 31 March 2021	6.41	8.96	4.22	55.81	218.82	294.22	0.88
Additions	0.35	1.76	0.36	25.38	18.11	45.95	0.56
Disposal	-	-	-	-	-	-	-
Balance as at 31 March 2022	6.75	10.72	4.58	81.19	236.93	340.17	1.45
Net Carrying Value							
As at 31 March 2021	1.34	3.90	2.01	41.02	89.29	137.55	0.52
As at 31 March 2022	0.99	3.33	1.65	47.90	92.29	146.16	3.66

* Registered Equitable Mortgage and First and exclusive charge and security by way of hypothecation of machineries for Apna Sahakari Bank Ltd Loan Includes office Equipment's.

As per our Attached report of even date

For **BHUSHAN KHOT & CO**
Chartered Accountants

(FRN: 116888 W)

Sd/-

Bhushan Khot

Partner

M. No. 101858

UDIN: 22101858AKZKFJ1679

Place: Mumbai

Date: 15th June, 2022

For and on behalf of Board of

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Sd/-

Ravindra Malinga Hegde

Managing Director

DIN No. – 01821002

Sd/-

Naveen Carvallo

Chief Financial Officer

Sd/-

Sujata Ravindra Hegde

Director

DIN No. - 01829352

Sd/-

Rahul Pathak

Company Secretary

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

3(a) INVESTMENT PROPERTIES	As at 31st March, 2022	As at 31st March, 2021
Gross Carrying Value	99.63	99.63
Accumulated depreciation	40.63	37.61
Net Carrying Value	59.01	62.03

ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTIES	As at 31st March, 2022	As at 31st March, 2021
Accumulated depreciation at the beginning of the year	37.61	34.43
Addition	3.02	3.18
Accumulated depreciation at the end of the year	40.63	37.61

i) Amount recognised in profit and loss for investment properties	For the year ended 31st March, 2022 or ended 31st March, 2021	
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Rental Income	-	5.95
Direct operating expenses from property that generated Rental Income	0.86	1.42
Direct operating expenses from property that didn't generated Rental Income	0.13	1.60
Profit from investment properties before depreciation	(0.99)	2.93
Depreciation	3.02	3.18
Profit from investment properties	(4.01)	(0.25)

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 vacant during the Current Financial Year.

iv) Fair Value

Investment Property	192.22 [*]	192.22 [*]
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Estimation of Fair Value

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

4 INVESTMENTS	As at 31st March, 2022	As at 31st March, 2021
Investment measured at Fair Value through Other Comprehensive Income		
In Equity Shares of Other Companies		
Unquoted, Fully Paid up		
Shares in Apna Sahakari Bank	5.50	5.00
(20000 Shares of Rs.25/- each fully paid up)		
Total	5.50	5.00

5 OTHER FINANCIAL ASSETS	As at 31st March, 2022	As at 31st March, 2021
<i>(Unsecured, considered good, unless stated otherwise)</i>		
NSE Exchange Deposit	-	-
Security Deposits & Retention Money	1151.92	956.24
Service tax Appeal Deposit	101.93	101.93
Total	1,253.84	1,058.17

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2021 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed						
Undisputed trade receivables – considered good	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	2,040.12	2,040.12
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	2,040.12	2,040.12
Less: Allowance for doubtful trade receivables - Billed						680.04
						1,360.08
Trade receivables - Unbilled						-
Total						1,360.08

Ageing for trade receivables - billed current outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed						
Undisputed trade receivables – considered good						
Undisputed trade receivables – which have significant increase in credit risk	1,342.51	204.15	101.17	57.61	32.30	1,737.75
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	1,342.51	204.15	101.17	57.61	32.30	1,737.75
Less: Allowance for doubtful trade receivables - Billed						28.55
						1,709.19
Trade receivables - Unbilled						-
Total						1,709.19

Ageing for trade receivables - billed current outstanding as at March 31, 2021 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed						
Undisputed trade receivables – considered good	1,894.01	161.36	119.32	37.79	0.04	2,212.52
Undisputed trade receivables – which have significant increase in credit risk						
Undisputed trade receivables – credit impaired						
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	1,894.01	161.36	119.32	37.79	0.04	2,212.52
Less: Allowance for doubtful trade receivables - Billed						135.09
						2,077.43
Trade receivables - Unbilled						-
Total						2,077.43

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

CASH AND BANK BALANCES		As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents			
(a) Balances with Banks		7.03	37.76
(b) Cash on hand		97.34	29.84
		104.37	67.60
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		871.59	453.79
(c) Unpaid dividend		0.11	0.11
		871.70	453.90
Total		976.06	521.50

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

10 CURRENT TAX ASSETS (NET)	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax (net of Provisions)	391.87	190.54
Total	391.87	190.54

11 OTHER CURRENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
(a) Advances to Staff (Unsecured Considered Good)	1.01	0.40
(b) Loans & Advances	-	-
(c) Advances against site	5.27	15.07
(d) Balance with Government Authorities	42.46	61.32
(e) Prepaid Expenses	-	-
(f) Contract Assets (Work in Progress)	21.48	11.66
	2,985.25	3,701.34
Total	3,055.486	3,789.788

Changes in Contract Assets are as follows:

	As at 31st March, 2022	As at 31st March, 2021
Contract Assets at the beginning of the year	3,701.34	2,056.05
Revenue Recognised during the year	9,646.02	11,504.27
Invoices raised during the year	(10,204.98)	(9,858.98)
Unbilled receivables	-	-
Provision for contract assets	(157.12)	-
Contract Assets at the end of the year	2,985.25	3,701.34

12 SHARE CAPITAL	As at 31st March, 2022	As at 31st March, 2021
(a) Authorised		
1,20,00,000 Equity Shares of Rs. 10 each	1,200.00	1,200.00
Total	1,200.00	1,200.00
(b) Issued, Subscribed and Paid Up		
1,00,22,299 Equity Shares of Rs. 10 each	1,002.23	969.90
Total	1,002.23	969.90

(c) Reconciliation of the Number of Equity Shares

Shares outstanding at the beginning of the year	96.99	96.99
Shares issued during the year	3.23	-
Shares bought back during the year	-	-
Shares outstanding at the Closing of the year	100.22	96.99

(d) Terms and Rights attached to Equity Shareholders

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

(e) Shareholders holding more than 5% Equity Shares

Equity Shares of Rs.10 each fully paid held by-	As at 31st March, 2022 No. of shares	As at 31st March, 2021 No. of shares
(i) Ravindra Malinga Hegde	61.44	59.46
(ii) Sujata Ravindra Hegde	9.89	9.57

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

13 OTHER EQUITY	As at 31st March, 2022	As at 31st March, 2021
(a) Security Premium		
Opening Balance	679.91	687.23
add : issue of shares	-	-
less : Bonus issue	(32.33)	-
less: Share issue expenses/IPO Expenses net of Tax benefit	(5.15)	(7.32)
Closing balance	642.43	679.91
(b) Retained Earnings		
Balance at the beginning of the Financial Year	2,161.23	1,859.24
Adjustment of prior period expense	-	-
Restated balance at the beginning of the Financial Year	2,161.23	1,859.24
Profit during the year transferred	(1,921.36)	326.24
Less: Dividend Paid	-	(24.25)
Tax on Dividend	-	-
Utilisation for Bonus Issue	-	-
Balance at the end of the Financial Year	239.87	2,161.23
Balance consists of Surplus retained from earned profit after payment of dividend.		
(c) Share issue expenses		
Opening Balance	-	-
Add : expenses incurred	-	-
Less : Transfer to Securities Premium Account	-	-
Closing Balance	-	-
Total Reserve & Surplus (a)+(b)+(c)	882.30	2,841.14
(d) Items of Other Comprehensive income		
Remeasurements of defined benefit plans		
Opening Balance	10.06	1.96
Add: Current year Income/(expense)	(24.85)	8.09
Closing balance	(14.79)	10.06
Total Other Equity (a)+(b)+(c)+(d)	867.51	2,851.20
14 NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings		
1-Secured loans	1,385.20	978.66
2-Unsecured loans	89.77	230.17
Total	1,474.96	1,208.83
Secured Loans are secured against property, plant and Equipments and Fixed Deposits (Refer Note 28)		
15 OTHER NON-CURRENT LIABILITIES		
Provision for gratuity	5.85	18.65
Total	5.85	18.65
16 CURRENT BORROWINGS		
Working capital from banks & financial institutions-Secured		
Apna Sahakari Bank Ltd	1,778.84	1,582.82
Deutsche Bank	-	137.65
Bank of India	738.23	0.00
State Bank of India	583.13	-
From Related Parties	-	-
Ravindra Hegde	64.74	56.04
Sujata Hegde	31.98	28.98
KHFM HR Consultancy Private Limited	1.00	1.00
Total	3,197.93	1,806.49
Working Capital Loans are secured against current assets(book debts) property, plant and equipments, fixed deposits and personal guarantee of directors. (Refer Note 28)		

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

17 TRADE PAYABLES		As at 31st March, 2022	As at 31st March, 2021
<i>Financial Liabilities carried at Amortised Cost</i>			
(a) Due to Micro, Small and Medium Enterprises		8.79	13.64
(b) Others		-	-
(i) Related Parties		4.23	1.70
(ii) Other Parties		499.53	515.66
Total		512.55	531.01

Ageing for trade payables outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables					
MSME*	8.79	-	-	-	8.79
Others	458.93	39.11	5.72	-	503.76
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	467.72	39.11	5.72	-	512.55
Accrued expenses					-
Total					512.55

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

Ageing for trade payables outstanding as at March 31, 2021 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables					
MSME*	13.30	0.34	-	-	13.64
Others	493.63	23.73	-	-	517.36
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	506.93	24.07	-	-	531.01
Accrued expenses					-
Total					531.01

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

18 OTHER FINANCIAL LIABILITIES		As at 31st March, 2022	As at 31st March, 2021
<i>Financial Liabilities carried at Amortised Cost</i>			
(a) Current Maturity of long term debt		436.39	602.95
(b) Unclaimed Dividend		0.11	0.11
(c) Subcontractor deposits		163.76	378.59
(d) Deposit premises		-	-
Total		600.25	981.65

19 PROVISIONS (CURRENT)		As at 31st March, 2022	As at 31st March, 2021
Provision for taxes		-	-
Provision for Gratuity		11.57	9.72
Provision for Employee benefit expenses		651.17	694.92
Provision for Audit fees		-	5.55
Provision for Electricity expense		0.07	-
Total		662.80	710.19

20 OTHER CURRENT LIABILITIES		As at 31st March, 2022	As at 31st March, 2021
(a) Advances from customer		-	-
(b) Statutory Dues		340.99	369.51
Total		340.99	369.51

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

21 REVENUE FROM OPERATIONS	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contracted Price (Services)	9646.02	11504.27
Less : Reduction towards variable consideration components	3.78	5.96
Total	9,642.24	11,498.31

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

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

22 OTHER INCOME	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Rental Income	-	5.95
(b) Reimbursement of Interest & Issue Exp from LLPs	-	-
(c) Miscellaneous Income	-	-
(d) Profit on Sale of Property, Plant & Equipments	4.16	-
(e) Reversal of Allowance for Bad & Doubtful Debts	-	-
(f) Dividend	-	-
(g) Interest Income earned on Financial Assets carried at Amortised Cost	-	-
(i) Interest on Bank Fixed Deposits	35.23	24.85
(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	23.80	10.37
Total	63.19	41.18

23 EMPLOYEE BENEFITS EXPENSES	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Salaries, Wages and Bonus	5,040.07	5,182.52
(b) Contribution to Provident Fund and Other funds	607.99	653.48
(c) Staff Welfare expenses	6.33	5.35
Total	5,654.40	5,841.35

24 FINANCE COST	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Interest Expenses for financial liabilities measured at amortised cost	571.78	510.29
Total	571.78	510.29

25 DEPRECIATION	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation on property, plant and equipment	45.95	25.13
Depreciation on investment property	3.02	3.18
Amortisation of intangible assets	0.56	0.88
Amortisation of leasehold land	-	-
Total	49.53	29.19

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

26 OTHER EXPENSES	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Direct Expenses		
Site Expenses	1,699.75	1,882.42
Labour Charges	1,906.50	1,479.56
Consumption of stores, spares & Consumables	244.98	310.55
Uniform Expenses	8.02	8.45
Blocked credit	49.82	43.36
Deductions & Penalty	276.69	89.94
Indirect Expenses		
Advertising and domain expenses	1.61	1.38
Audit Fees	18.26	12.94
Computer, Software & Printer Expenses	5.04	2.89
Commission	116.10	0.23
Donation	2.28	0.76
GST / Service Tax/TDS	0.13	-
Insurance	38.86	37.70
Miscellaneous Expenses	4.93	7.49
Office Expenses	2.81	3.98
Power & Fuel	2.64	11.90
Property Tax	0.80	0.79
Professional tax	0.05	0.08
Legal & Professional Charges	23.89	29.87
Licence fees	12.40	-
Listing Fees	0.15	0.15
Interest late fees and penalty	16.83	6.34
Printing & Stationery	2.52	1.47
Rent Including Lease Rentals	69.19	35.81
Repair & Maintenance	29.51	19.81
Allowance for Bad & Doubtful Debts/ Contract Assets	755.81	805.35
Tender related expense	15.77	10.14
Telephone Charges	1.90	1.57
Transport Charges	38.45	59.83
Travelling and Conveyance	169.17	62.17
Mortgage and Stamp duty	15.21	-
Total	5,530.07	4,926.90
27 INCOME TAX	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Income Tax recognized in Statement of Profit & Loss		
Current Tax Expenses	-	58.49
Tax of the Earlier Years	8.13	39.58
Deferred Tax Expenses	(187.12)	(192.56)
Total Tax Expenses recognized in Statement of Profit & Loss	(178.99)	(94.49)
(b) Tax expenses related to Items recognized in Statement of Other Comprehensive Income		
Remeasurement of Defined Benefit Plans	-	2.72
Income tax Charged to Statement of Other Comprehensive Income	-	2.72
(b) Reconciliation of Effective Tax Rate		
Profit Before Tax	(2,100.35)	231.76
Tax at India's statutory Income Tax rate	25.17	25.17
Expected Income tax expense/(benefit)	(528.62)	58.33
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	542.82	220.68
Tax on Items admissible to be debitted to P/L /Considered under separate head	(23.07)	(227.82)
Tax on Items Considered under other Head of income	8.87	7.30
Current Tax Expense	0.00	58.49
Tax on Items recognised in other comprehensive income	-	2.72
Total Tax Expenses /(benefits)(A)	0.00	61.21
Incremental Deferred Tax Liability/(Assets) on account of Property, Plant and Equipment	(1.50)	(0.76)
Incremental Tax Liability / (Assets) on account of Financial assets and Other Items	(185.62)	(191.80)
Deferred Tax Provision (B)	(187.12)	(192.56)
Total Tax Expenses/(benefits) (A + B)	(187.12)	(131.35)
Effective Tax Rate	8.91%	-56.67%

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

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	
							31-03-2022	31-03-2021
Secured Borrowings								
Apna Sahakari Bank Ltd.	Working Capital (Cash Credit)	1500.00	11% p.a.	Primary Security : Hypothecation of Stock & Book Debts Collateral Security : As per Note 1 Personal Guarantee : As per Note 2	On Demand	NA	1778.84	1582.82
STATE BANK OF INDIA (40608236665)	Working Capital (Cash Credit)	585.00	8.15%	As per Note 7	On Demand	NA	583.13	-
Bank of India CC (92)	Working Capital (Cash Credit)	752.00	8.85%	As per Note 6	On Demand	NA	738.23	-
Deutsche Bank AG	Working Capital (Cash Credit)	137.50	10.55% p.a.	Loan Taken over by Bank of India	On Demand	NA	-	137.65
Apna Sahakari Bank Ltd.	Business Loan (Loan against book debts and property)	300.00	11.50% p.a.	Primary Security : As per note no 5. Collateral Security: Nil	120 EMIs of 4.26 lacs each	NA	216.28	242.75
Apna Sahakari Bank Ltd.	Business Loan (Loan Against Property)	100.00	12% p.a.	Primary Security : As per note no 03. Collateral Security: As per note 04	120 EMIs of Rs. 1.45 Lacs each	Nil	50.26	61.68
	Business Loan (Loan Against Machineries)	19.00	12% p.a.	Loan Closed	60 EMIs of Rs. 0.43 Lacs each	Nil	-	8.35
	Business Loan (Loan Against Property)	150.00	12% p.a.	Loan Closed	60 EMIs of Rs. 3.36 Lacs each	Nil	-	5.50
	Business Loan (Loan Against Property)	50.00	12% p.a.	Primary Security : As per note no 03. Collateral Security: As per note 04	60 EMIs of Rs. 1.125 Lacs each	Nil	4.56	16.95
Deutsche Bank AG	Business Loan (Loan Against Property)	206.00	10.50% p.a.	Loan Taken over by Bank of India	180 EMIs of Rs. 2.28 Lacs each	Nil	-	90.23
PNB Housing Finance Ltd.	Business Loan (Loan Against Property)	60.50	11.45% p.a.	Loan Taken over by Bank of India	180 EMIs of Rs. 0.69 Lacs each	Nil	-	51.26
Apna Sahakari Bank Ltd.	Loan against deposit	40.00	7.5% p.a.	Secured against Fixed deposit of Rs 45.01 Lakhs	EMIs of Rs 24,000 each	Nil	36.09	38.25
Apna Sahakari Bank Ltd.	Business Loan (Loan against book debts and property)	550.00	11% p.a.	Primary Security : As per note no 5. Collateral Security: Nil	84 EMIs of Rs 9.46 lacs each	Nil	503.92	550.17
Deutsche Bank	Business Loan (Loan Against Property)	48.08	10.50% p.a.	Loan Taken over by Bank of India	Loan taken over by Bank of India	Yes	-	48.08
Mahindra Finance	Car Loan used for Business	54.56	9.5% p.a.	Secured against Car	24 EMIs of Rs 2,53,040 each	Nil	27.83	58.20
Bank of India	Business Loan (Loan Against Property)	185.00	8.85% p.a.	As per Note 6	84 EMIs of Rs 220238 each	Nil	81.30	-
	Business Loan (Loan Against Property)	53.00	8.85% p.a.	As per Note 6	84 EMIs of Rs 63095 each	Nil	48.31	-
	Business Loan (Loan Against Property)	48.00	8.10% p.a.	As per Note 6	Loan taken over From Deutsche Bank	Nil	37.60	-
	Business Loan (Loan Against Property)	500.00	9.25% p.a.	As per Note 6	Moratorium for First 24 Month and next 36 month EMI of RS 1555310 each	Yes	506.39	-

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 and Book debts

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

3. Primary: FDR of Rs 210 lakhs

4. Security : Shop No 1, 2, & 3 Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company.

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

5. Security: Shop No 1, 2, & 3 Nirma Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr Ravindra Hegde. Flat No 103, Datta Gurukripa CHS, NC Kelkar Road. Dadar(W), Mumbai-400028 held in the name of HR Consultancy Pvt Limited wherein Mr Ravindra Hegde and Mrs Sujata Hegde are the directors of the company. D/3/18, Green filed, Mahakali/caves, Jogeshwari(E), Mumbai held in the name of the directors & FDR of Rs 210 lakhs

Bank Of India

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

State Bank of India

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

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
NOTES TO FINANCIAL STATEMENTS
(Rs. in Lakhs)

29 EARNING PER SHARE	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Net Profit for Basic & diluted EPS	(1,921)	326
(b) Number of Equity Shares at the beginning of the year	96.99	96.99
(c) Total Number of Shares outstanding at the end of the year	100.22	96.99
(d) Weighted Average number of Equity Shares outstanding during the year	97.91	96.99
Earning Per Share - Basic	(19.62)	3.36
Earning per share - Diluted	(19.62)	3.36
Face value per share (Rs.)	10.00	10.00

30 CONTINGENT LIABILITIES & COMMITMENTS	As at 31st March, 2022	As at 31st March, 2021
(a) Claims against the company not acknowledged as debt:		
- Service Tax	1389.40	1389.40
(b) Guarantees		
(i) Bank Guarantees	1139.06	1365.44
(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 at 31st March, 2022	As at 31st March, 2021
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, 2022	8.79	13.64
(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	-	-
(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	-	-
(d) the amount of provision made for payment to MSME Enterprises	-	5.55

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

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)
- (c) KHFM HR Consultancy Private limited

(ii) Key Managerial Personnel

	Designation
(a) Ravindra Hegde	Managing Director
(b) Sujata Hegde	Director
(c) Saurav Hegde	Director
(d) Riddhi Hegde	Non Executive Director
(e) Brahm Pal Singh	Non Executive & Independent Director
(f) Bharat Kanani	Non Executive & Independent Director
(g) Girish Ramnani.	Non Executive & Independent Director
(h) Naveen Carvallo	CFO (KMP)
(i) Rahul Pathak	CS & Compliance Officer (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	2021-22	2020-21
				Amount	Amount
Palemer Enterprises (Prop Sujata Hegde)	Associate Concerns	Interest Expenses	Expense	2.90	0.71
		Closing Balance		-	-
		Unsecured Loans	Liability	31.98	28.98
Kalpataru Pest Control (Prop Ravindra Hegde)	Associate Concerns	Interest Expenses	Expense	4.77	2.31
		Closing Balance		-	-
		Unsecured Loans	Liability	64.74	56.04
KHFM HR Consultancy Private Limited	Associate Concerns	Unsecured Loans	Liability	1.00	1.00
Ravindra Hegde	KMP	Director Remuneration	Expense	12.00	21.00
		Rent Paid	Expense	10.16	10.16
		Dividend Paid	Expense/Equity	-	14.84
		Closing Balance		-	-
		Creditor	Liability	3.23	1.05
		Salary Payable	Liability	4.58	0.62
Saurav Hegde	KMP	Director remuneration	Expense	5.40	1.80
		Dividend paid	Expense	-	0.00
		Closing Balance		-	-
		Salary payable	Liability	-	-
Sujata Hegde	KMP	Director Remuneration	Expense	7.20	16.80
		Dividend Paid	Expense/Equity	-	2.38
		Closing Balance		-	-
		Creditor	Liability	1.00	0.66
		Salary Payable	Liability	0.86	2.93
Riddhi Hegde	KMP	Dividend Paid	Expense	-	0.00
		Salary	Expense	7.20	7.20
Naveen Carvallo	KMP	Closing Balance		-	-
		Salary Payable	Liability	-	0.46
		Sitting fees	Expense	0.30	-
Bharat Kanani	KMP	Closing Balance		-	-
		Sitting fees payable	Liability	0.27	-
		Sitting fees	Expense	0.25	0.25
Brahm Pal Singh	KMP	Closing Balance		-	-
		Sitting fees payable	Liability	0.09	0.04
		Sitting fees	Expense	0.30	-
Girish Ramnani	KMP	Closing Balance		-	-
		Sitting fees payable	Liability	0.27	-
		Salary	Expense	4.20	1.80
Rahul Pathak	KMP	Salary	Expense	4.20	1.80

(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.

KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
CIN – L74930MH2006PLC159290

Notes to Financial Statements for the year ended March 31, 2022

33. INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI

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

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

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

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

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

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

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The 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.

35. FINANCIAL INSTRUMENTS

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

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

31st March 2022	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
<u>Financial Asset :</u>				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5.50	-	5.50
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	663.60	663.60
Other Non-Current Financial Assets	-	-	1253.84	1253.84
Current Assets:-				
Cash & Cash equivalents	-	-	976.06	976.06
Trade receivables	-	-	1709.19	1709.19
Other Financials Assets	-	-	-	-
<u>Financial Liability :</u>				
Non-Current :-	-	-	-	-
Borrowings	-	-	1474.96	1474.96
Other financial liabilities				
Current :-	-	-	-	-
Borrowings	-	-	3197.92	3197.92
Trade payables	-	-	512.54	512.54
Other financial liabilities			600.25	600.25

31st March 2021	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
<u>Financial Asset :</u>				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5.00	-	5.00
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	1360.07	1360.07
Other Non-Current Financial Assets	-	-	1058.16	1058.16
Current Assets:-				
Cash & Cash equivalents	-	-	521.50	521.50
Trade receivables	-	-	2077.43	2077.43
Other Financials Assets	-	-	-	-
<u>Financial Liability :</u>				
Non-Current :-				

Borrowings			1208.83	1208.83
Other financial liabilities	-	-	-	-
Current :-	-	-	-	-
Borrowings			1806.49	1806.49
Trade payables	-	-	531.01	531.01
Other financial liabilities	-	-	981.65	981.65

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, 2022 and 31st March, 2021 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 oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

(a) Credit risk

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

- Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's Credit risk in this respect. The Company's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects 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.

Particulars	31st March, 2022	31st March, 2021
Opening Expected Credit Loss	815.12	94.10
Additions	598.69	805.35
Less: Bad debts booked	(25.18)	(84.32)
Closing Expected Credit Loss	1388.62	815.13

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, 2022.

(Rs in Lakhs)

Particulars	Due within 12Months	Due within 1 to 3 years	More than 3years
Financial Liabilities Borrowings	436.38	670.42	804.54
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2021.			
(Rs in Lakhs)			
Financial Liabilities Borrowings	602.95	512.47	696.35

(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	31 st March, 2022	31 st March, 2021
Financial Assets	-	-
Fixed rate instruments		

Bank Deposits		
- Current	7.03	37.76
- Non Current	871.58	453.79
Financial Liabilities		
Fixed rate instruments		
Borrowing	-	-
Variable rate instruments		
Borrowing		
- Short term borrowing	3634.31	2409.44
- Long term borrowing	1474.96	1208.83

36. EMPLOYEE BENEFITS

(i) Short term employee benefits

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

(ii) Post-Employment Benefits

Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, the excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in 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 also due to changes in the assumptions used for valuation. The Company recognizes these re-measurements 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 31 st March, 2022	For the year ended 31 st March, 2021
Present value of funded obligations	81.28	67.60
Fair value of plan assets	63.86	(39.24)
Net Liability (Asset)	17.41	28.36

Profit and loss for the period:		
Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Service Cost:		
Current Service Cost	9.71	69.69
Past Service Cost and loss/(gain)	-	-

on curtailments and settlements		
Net Interest Cost	0.99	(0.42)
Total included in ‘Employee benefit expense’	10.71	69.26

Other comprehensive Income for the period: Rs in lakhs		
Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(1.23)	2.67
Due to change in demographic assumption		(15.90)
Due to experience adjustments	27.04	2.67
Return on plan assets excluding amounts included in interest income	(0.95)	(0.25)
Amounts recognized in Other Comprehensive (Income) / Expense	24.84	(10.81)

Reconciliation of defined benefit obligation. Rs in lakhs		
Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Defined Benefit Obligation	67.60	18.55
Current service cost	9.71	69.69
Interest cost	2.18	1.26
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(1.23)	2.67
Due to change in demographic assumption	-	(15.90)
Due to experience adjustments	27.04	2.67
Benefits paid by the company	(24.03)	(11.36)
Closing Defined Benefit Obligation	81.28	67.60

Reconciliation of Plan assets. Rs in lakhs		
Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening value of plan assets	39.24	19.84
Transfer in/(out) plan assets	-	-
Interest Income	1.18	1.69
Return on plan assets excluding amounts included in interest income	0.95	0.25
Contributions by employer	22.48	17.44
Contributions by Employee	-	-
Exchange differences on foreign plans	-	-
Closing value of Plan assets	63.86	39.24

The assumptions used in accounting for the defined benefit plan are set out below:		
Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Discount rate	5.15% p.a.	4.25% p.a.
Salary Growth Rate	6.60% p.a.	6.60% p.a.
Withdrawal rates	50.00% p.a at all ages	50.00% p.a at all ages

37. SEGMENT REPORTING

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

38. 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.

39. 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.

40. CAPITAL MANAGEMENT

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

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

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

42. POST REPORTING EVENTS

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

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

The Company is required to provide Inventory statement to Banks on quarterly basis. However, as per sanction letter issued by Bank, inventory related to EPC projects are not pledged with banks. Accordingly, the company has submitted NIL inventory in its submission. As per sanctioned letter issued by Banks, the Company is required to submit Book Debts statement (excluding debtors related to EPC Project) to Banks on quarterly basis. The Books Debts (excluding debtors related to EPC projects) are in agreement with books of accounts except reconciliation items amounting to `78.94 Million for Quarter 1, `73.65 Million for Quarter 2 and `69.69 Million for Quarter 3. These reconciliation items of book debts are related to other operational division of the Company which has been excluded in book debt statement basis the mutual understanding with Bank.

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

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

45. UTILISATION OF BORROWED FUNDS

As on March 31, 2022 there is no unutilised amounts in respect of long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

46. UNDISCLOSED INCOME

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

47. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

48. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

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

49. DISCLOSURE OF RATIOS

Particulars	As at March 31,2022	As at March 31,2021	% of change in ratio	Remarks
Current Ratio	1.15	1.50	23.15%	
Debt-Equity Ratio	3.63	1.47	-146.83%	New Credit Facilities have been sanctioned and disbursed to the Company by Bank of India and State Bank of India during the Current Financial Year.
Debt Service Coverage Ratio	-1.06	0.74	243.48%	New Credit Facilities have been sanctioned and disbursed to the Company by Bank of India and State Bank of India during the Current Financial Year.
Return on Equity Ratio(%)	-68%	9.11%	850.74%	In the current fiscal year, the cost of keeping an employee with the company increased along with interest costs for the new credit facility approved by BOI and SBI.
Inventory Turnover Ratio	16.66	5.14	-223.76%	The management chose to maintain a minimum 30-day supply of consumables due to the Covid -19 pandemic in order to prevent further shortages brought on the lock down.
Trade Receivables Turnover Ratio	3.32	3.26	-1.73%	
Trade Payable Turnover Ratio	10.60	8.75	-21.08%	
Net Capital Turnover Ratio	5.16	3.01	-71.38%	There has been a slowdown in the hospitality sector, where the company operates, throughout the current financial year.
Net Profit Ratio(%)	-20.18%	2.91%	794.16%	In the current fiscal year, the cost of keeping an employee with the company increased along with interest costs for the new credit

Particulars	As at March 31,2022	As at March 31,2021	% of change in ratio	Remarks
				facility approved by BOI and SBI.
Return on Capital Employed (%)	-53.72%	20.52%	361.85%	In the current fiscal year, the cost of keeping an employee with the company increased along with interest costs for the new credit facility approved by BOI and SBI.

PARAMETERS USED FOR COMPUTATION OF FINANCIAL RATIOS ARE AS FOLLOWS:

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

50. COMPARATIVES

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

51. The Financial Statements are rounded off to the nearest Lakhs except for per share information or as stated otherwise.

52. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on June 15, 2022.

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 Attached report of even date

For **BHUSHAN KHOT & CO**
Chartered Accountants
(FRN: 116888 W)
Sd/-
Bhushan Khot
Partner
M. No. 101858
UDIN: 22101858AKZKFJ1679
Place: Mumbai
Date: 15th June, 2022

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

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

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

Sd/-
Naveen Carvalho
Chief Financial Officer

Sd/-
Rahul Pathak
Company Secretary

KHFM Hospitality & Facility Management Services Limited
(CIN - L74930MH2006PLC159290)

Statement of Unaudited Standalone Financial Results for the half year ended 30th September, 2022

Sr. No	PARTICULARS	6 Month Ended			Year ended
		September 30, 2022	March 31, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
(I)	Revenue from Operations	4,428.97	5,376.52	4,265.72	9,642.24
(II)	Other Income	50.86	31.60	31.59	63.19
(III)	Total Revenue (I+II)	4,479.83	5,408.12	4,297.31	9,705.43
(IV)	Expenses				
	Employee Benefit Expense	1,901.39	2,564.05	3,090.35	5,654.40
	Finance Cost	291.81	231.92	339.86	571.78
	Depreciation and amortisation expense	17.89	25.73	23.80	49.53
	Other expenses	2,047.83	3,128.60	2,401.47	5,530.07
	TOTAL EXPENSES (IV)	4,258.92	5,950.30	5,855.48	11,805.77
(V)	Profit before exceptional items and tax(III-IV)	220.90	-542.18	-1,558.17	-2,100.35
(VI)	Exceptional Items		-	-	-
(VII)	Profit/(Loss) before Tax (V-VI)	220.90	-542.18	-1,558.17	-2,100.35
(VIII)	Tax Expense	51.83	-93.02	-85.96	-178.99
(IX)	Profit for the period (VII-VIII)	169.07	-449.16	-1,472.20	-1,921.36
(X)	Other Comprehensive Income				
	(1)Items that will not be reclassified subsequently to Statement of Profit & Loss	16.37	1.47	23.38	24.85
	(2)Income tax relating to items that will not be reclassified to Statement of Profit & Loss	-4.12	-	-	-
	(3)Items that will be reclassified subsequently to Statement of Profit & Loss				
(XI)	Total Comprehensive Income for the period(IX+X)	156.82	-450.62	-1,495.58	-1,946.21
	Share of Profit/ (Loss) of Associates				
	Minority Interest				
	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates				
	Paid-up equity share capital	1,002.23	1,002.23	969.90	1,002.23
	Earnings Per Share				
	(a)Basic	1.69	-4.54	-15.18	-19.62
	(b)Diluted	1.69	-4.54	-15.18	-19.62

Notes:

- The above results have been published in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meeting held on 7th November, 2022.
- These results have been prepared in accordance with the Indian Accounting Standards(referred to as 'Ind As') 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with Companies(Indian Accounting Standards) Rules as amended from time to time.
- Previous period figures have been re-grouped and/ or re-arranged wherever necessary to make their classification comparable with the current period.

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

Sd/-
Ravindra Malinga Hegde
Managing Director
DIN: 01821002

Place: Mumbai

Date: 7th November, 2022

KHFM Hospitality & Facility Management Services Limited
(CIN - L74930MH2006PLC159290)

UNAUDITED STANDALONE BALANCE SHEET AS AT 30TH SEPTEMBER, 2022

Particulars		As at 30th September, 2022	As at 31st March, 2022
A	ASSETS		
	Non-Current Assets		
	(a) Property, Plant and Equipment	104.25	146.16
	(b) Right-of-Use Assets	-	-
	(c) Capital Work in Progress	-	-
	(d) Investment properties	57.57	59.01
	(e) Goodwill	-	-
	(f) Other Intangible Assets	2.50	3.66
	(g) Intangible Assets Under Development	-	-
	(h) Biological assets other than Bearer plants	-	-
	(i) Financial Assets	-	-
	(i) Investments	6.49	5.50
	(ii) Trade Receivables	314.96	663.60
	(iii) Other Financial Assets	1,260.56	1,253.84
	(j) Deferred Tax Assets (Net)	442.21	399.03
	(k) Other Non-Current Assets	-	-
	SUB-TOTAL	2,188.54	2,530.80
	Current Assets		
	(a) Inventories	1.46	1.66
	(b) Financial Assets	-	-
	(i) Investments	-	-
	(i) Trade Receivables	1,470.35	1,709.19
	(ii) Cash and Cash Equivalents	992.45	976.06
	(iii) Bank Balances other than (ii) above	-	-
	(iv) Other Financial Assets	-	-
	(c) Current Tax Assets (Net)	372.36	391.87
	(d) Other Current Assets	3,530.62	3,055.49
	SUB-TOTAL	6,367.24	6,134.27
	Non Current Assets Classified as Held for sale	-	-
	Total Assets	8,555.77	8,665.08
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share Capital	1,002.23	1,002.23
	(b) Other Equity	1,021.76	867.51
		2,023.99	1,869.74
	Liabilities		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,323.54	1,474.96
	(ii) Other Financial Liabilities	-	-
	(b) Provisions	-	-
	(c) Deferred tax Liabilities (Net)	-	-
	(d) Other Non-Current Liabilities	14.75	5.85
		1,338.29	1,480.81
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	3,296.21	3,197.93
	(ii) Trade Payables	343.47	512.55
	(iii) Other Financial Liabilities	607.48	600.25
	(c) Provisions	503.96	662.80
	(b) Other Current Liabilities	442.38	340.99
		5,193.50	5,314.52
	Total Equity and Liabilities	8,555.77	8,665.08

Note: Unbilled Work in progress (Contract Assets) and Non-Current trade receivables amounting to Rs 3477.15 lakhs & Rs 314.96 lakhs respectively outstanding as at 30th September, 2022 representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed / substantially closed / suspended sites. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigation and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.

For and on behalf of Board of

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Sd/-

Ravindra Malinga Hegde

Managing Director

DIN: 01821002

Place: Mumbai

Date: 7th November, 2022

KHFM Hospitality & Facility Management Services Limited
(CIN - L74930MH2006PLC159290)

UNAUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2022

	Particulars	As at 30th September 2022	As at 31st March 2022
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before Tax	220.9	-2100.35
	Adjustment for:		
	Depreciation and Amortization Expense	17.89	49.53
	Finance cost	291.81	571.78
	Interest paid on Security Deposit	-	-
	Allowance for Doubtful Debts	340.85	755.81
	Balances Written Back	-	-
	Reversal of Allowance for Doubtful Debts	-	-
	Profit on sale of Property, Plant & Equipment	-17.13	-4.16
	Re-measurement (Gain)/Loss on Defined Benefit Plan	-16.37	-24.85
	Interest Income on Fixed Deposit and Income Tax Refund	-23.50	-35.23
	Operating Profit before Working Capital changes	814.45	-787.46
	Adjustment for:		
	(Increase)/decrease in Trade Receivables	246.63	308.90
	(Increase)/decrease in Other Current Financial Assets	-	-
	(Increase)/decrease in Non-Current Loans	-	-
	(Increase)/decrease in Other Non-Current Financial Assets	-7.71	-196.18
	(Increase)/decrease in Other Current Assets	-455.63	524.85
	(Increase)/decrease in Non-Current Assets	-	-
	(Increase)/decrease in Inventories	0.21	26.09
	Increase/(decrease) in Trade-Payable	-169.07	-18.46
	Increase/(decrease) in Other Current Financial Liability	105.50	1,010.03
	Increase/(decrease) in Non Current Liability	8.90	-12.80
	Increase/(decrease) in Provision	-158.85	-47.38
	Increase/(decrease) in Other Non-Current Financial Liability	-151.43	266.13
	Increase/(decrease) in Current Liability	101.39	-28.52
	Increase/(decrease) in Non-Current Liability		
	Cash Generated from Operations	334.41	1,045.21
	Direct Taxes	-93.46	
	Net Cash from Operating Activities (A)	240.95	1,045.21
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment	-1.05	-59.10
	Sale of Property, Plant & Equipment	44.80	5.00
	Fixed Deposits placed/matured/realised	-30.74	-417.80
	Interest Received	23.50	35.23
	Net Cash used in Investing Activities (B)	36.51	-436.67
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Expenses	-291.81	-571.78
	Dividend Paid	-	-
	Dividend Distribution Tax	-	-
	Proceeds from Issue of Equity Instruments	-	-
	Payment For share issue related costs	-	-
	Net Cash from Financing Activities (C)	-291.81	-571.78
	Net Changes in Cash and Cash Equivalents (A+B+C)	-14.35	36.77
	Opening Balance of Cash and Cash Equivalents	104.37	67.60
	Closing Balance of Cash and Cash Equivalents	90.01	104.37

Notes:-

- 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.

For and on behalf of Board of

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Cash on Hand	93.04	97.34
In Current Account	-3.03	7.03
	90.01	104.37

Sd/-

Ravindra Malinga Hegde

Managing Director

DIN: 01821002

Place: Mumbai

Date: 7th November, 2022

KHFM Hospitality & Facility Management Services Limited

(CIN - L74930MH2006PLC159290)

Statement of Unaudited Consolidated Financial Results for the half year ended 30th September, 2022

Sr.	PARTICULARS	6 Month Ended September 30,2022 (Unaudited)
(I)	Revenue from Operations	4428.97
(II)	Other Income	50.86
(III)	Total Revenue (I+II)	4479.83
(IV)	Expenses	
	Employee Benefit Expense	1901.39
	Finance Cost	291.81
	Depreciation and amortisation expense	17.89
	Other expenses	2057.83
	TOTAL EXPENSES (IV)	4268.92
(V)	Profit before exceptional items and tax(III-IV)	210.9
(VI)	Exceptional Items	
(VI)	Profit/(Loss) before Tax (V-VI)	210.9
(VI)	Tax Expense	49.32
(IX)	Profit for the period (VII-VIII)	161.59
(X)	Other Comprehensive Income	
	(1)Items that will not be reclassified subsequently to Statement of Profit & Loss	16.37
	(2)Income tax relating to items that will not be reclassified to Statement of Profit & Loss	-4.12
	(3)Items that will be reclassified subsequently to Statement of Profit & Loss	
(XI)	Total Comprehensive Income for the period(IX+X)	149.34
	Net Profit Attributable to:	
a)	Owners of the company	161.66
b)	Non-Controlling Interest	-0.07
	Other Comprehensive Income Attributable to:	
a)	Owners of the company	-12.25
b)	Non-Controlling Interest	-
	Paid-up equity share capital	1002.23
	Earnings Per Share	
	(a)Basic	1.61
	(b)Diluted	1.61

Notes:

- The above results have been published in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meeting held on 7th November, 2022.
- These results have been prepared in accordance with the Indian Accounting Standards(referred to as 'Ind As') 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with Companies(Indian Accounting Standards) Rules as amended from time to time.
- Company acquired 99% of shares in KHFM Infra Projects Private Limited on 30.05.2022. As FY 2022-23 is the first year of consolidation, previous period figures have not been presented in the statement.

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

Ravindra Malinga Hegde

Managing Director

DIN: 01821002

Place: Mumbai

Date: 7th November, 2022

KHFM Hospitality & Facility Management Services Limited

(CIN - L74930MH2006PLC159290)

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2022

	Particulars	As at 30th September, 2022
A	ASSETS	
	Non-Current Assets	
	(a)Property, Plant and Equipment	104.25
	(b)Right- of - Use Assets	-
	(c)Capital Work in Progress	-
	(d)Investment properties	57.57
	(e) Goodwill	-
	(f) Other Intangible Assets	2.50
	(g) Intangible Assets Under Development	-
	(h) Biological assets other than Bearer plants	-
	(i) Financial Assets	-
	(i)Investments	5.50
	(ii)Trade Receivables	314.96
	(iii)Other Financial Assets	1,260.56
	(j) Deferred Tax Assets (Net)	442.21
	(k) Other Non-Current Assets	-
	SUB-TOTAL	2,187.55
	Current Assets	
	(a) Inventories	1.46
	(b) Financial Assets	-
	(i) Investments	-
	(ii)Trade Receivables	1,470.35
	(iii)Cash and Cash Equivalents	993.50
	(iv)Bank Balances other than (ii) above	-
	(v)Other Financial Assets	-
	(c) Current Tax Assets (Net)	374.88
	(d) Other Current Assets	3,530.62
	SUB-TOTAL	6,370.81
	Non Current Assets Classified as Held for sale	-
	Total Assets	8,558.35
B	EQUITY AND LIABILITIES	
	Equity	
	(a)Equity Share Capital	1,002.23
	(b)Other Equity	1,014.35
	(c)Non-Controlling Interest	-0.06
		2,016.52
	Liabilities	
	Non-Current Liabilities	
	(a) Financial Liabilities	
	(i)Borrowings	1,323.54
	(ii)Other Financial Liabilities	-
	(b) Provisions	-
	(c) Deferred tax Liabilities (Net)	-
	(d) Other Non-Current Liabilities	14.75
		1,338.29
	Current Liabilities	
	(a) Financial Liabilities	
	(i)Borrowings	3,308.06
	(ii)Trade Payables	343.47
	(iii)Other Financial Liabilities	607.48
	(c) Provisions	503.96
	(b) Other Current Liabilities	440.58
		5,203.55
	Total Equity and Liabilities	8,558.35

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

Ravindra Malinga Hegde

Managing Director

DIN: 01821002

Place: Mumbai

Date: 7th November, 2022

KHFM Hospitality & Facility Management Services Limited

(CIN - L74930MH2006PLC159290)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2022

	Particulars	As at 30th September 2022
A	CASH FLOW FROM OPERATING ACTIVITIES	
	Profit/(Loss) before Tax	210.90
	Adjustment for:	
	Deoreciation and Amortization Exoense	17.89
	Finance cost	291.81
	Interest paid on Security Deposit	
	Allowance for Doubtful Debts	340.85
	Balances Written Back	
	Reversal of Allowance for Doubtful Debts	
	Profit on sale of Property, Plant & Equipment	-17.13
	Re-measurement (Gain)/Loss on Defined Benefit Plan	-16.37
	Interest Income on Fixed Deposit and Income Tax Refund	-23.50
	Operatina Profit before Working Capital changes	804.45
	Adjustment for:	
	(Increase)/decrease in Trade Receivables	246.63
	(Increase)/decrease in Other Current Financial Assets	-
	(Increase)/decrease in Non-Current Loans	
	(Increase)/decrease in Other Non-Current Financial Assets	-6.72
	(Increase)/decrease in Other Current Assets	-458.14
	(Increase)/decrease in Non-Current Assets	-
	(Increase)/decrease in Inventories	0.21
	Increase/(decrease) in Trade-Payable	-169.07
	Increase/(decrease) in Other Current Financial Liability	117.35
	Increase/(decrease) in Non Current Liability	8.90
	Increase/(decrease) in Provision	-158.85
	Increase/(decrease) in Other Non-Current Financial Liability	-151.43
	Increase/(decrease) in Current Liabilitv	99.59
	Increase/(decrease) in Non-Current Liabilitv	
	Cash Generated from Operations	332.93
	Direct Taxes	-90.94
	Net Cash from Operating Activities (A)	241.99
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Purchase of Property, Plant & Eauiomment	-1.05
	Sale of Property. Plant & Eauiomment	44.80
	Fixed Deposits placed/matured/realised	-30.74
	Interest Received	23.50
	Net Cash used in Investting Activities (B)	36.51
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Interest Expenses	-291.81
	Dividend Paid	-
	Dividend Distribution Tax	-
	Proceeds from Issue of Eauity Instruments (NCI)	0.01
	Payment For share issue related costs	-
	Net Cash from Financing Activities (C)	-291.80
	Net Changes in Cash and Cash Eauivalents (A+B+C)	-13.30
	Operating Balance of Cash and Cash Eauivalents	104.37
	Closing Balance of Cash and Cash Eauivalents	91.06

Notes:-

3. 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,

4. Cash flow statement presents cash flows by operating, investing and financing.

For and on behalf of Board of

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

Cash on Hand	93.04
In Current Account	-1.98
	91.06

Sd/-

Ravindra Malinga Hegde

Managing Director

DIN: 01821002

Place: Mumbai

Date: 7th November, 2022

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Unaudited Financial Information for the Six month period ending September 30, 2022 and Audited Financial Information for the Financial Years ending March 31, 2022, March 31, 2021 and March 30, 2020. For further details please refer to the section titled '*Financial Statements*' beginning on page 87 of this Letter of Offer.

ACCOUNTING RATIOS

Particulars	For the six month period ending September 30, 2022	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2022	2021	2020
Basic earnings per Equity Share (₹)	1.69	(19.62)	3.36	4.88
Diluted earnings per Equity Share (₹)	1.69	(19.62)	3.36	4.88
Return on Net Worth (%)	8.35	-	8.75	6.56
Net Asset Value per Equity Share (₹)	202.00	186.60	39.40	36.72
EBITDA (₹ in Lakhs)	530.6	(1479.04)	771.23	996.46

The formula used in the computation of the above ratios are as follows:

Particulars	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss

Calculation of Return on Net Worth (%)

(₹ in Lakhs)

Particulars	For the six-month period ending September 30, 2022	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2022	2021	2020
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	169.07	(1,946.21)	334.34	464.57
Net worth at the end of the year (₹) (B)	2023.99	1,869.74	3,821.10	3,518.33
Return on Net Worth (%) [(A)/(B)]	8.35	-	8.75	6.56

Calculation of Net asset value Equity Share

(₹ in Lakhs)

Particulars	For the six-month period ending September 30, 2022	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2022	2021	2020
Net Worth (₹) (A)	2023.99	1,869.74	3,821.10	3,518.33
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	10.02	10.02	96.99	96.99
Net Asset Value per Equity Share (₹) [(A)/(B)]	202.00	186.60	39.40	36.72

Calculation of Net Worth

Particulars	For the six-month period ending September 30, 2022	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2022	2021	2020
Equity Share capital (₹) (A)	1002.23	1002.23	969.90	969.90
Reserves and Surplus (₹) (B)	1021.76	867.51	2851.20	2548.43
Net Worth (₹) [(A)+(B)]	2023.99	1869.74	3821.10	3518.33

Calculation of EBITDA

Particulars	For the six month period ending September 30, 2022	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2022	2021	2020
Net Profit/ (loss) after tax (₹) (A)	169.07	(1921.36)	326.24	469.04
Income tax expenses (₹) (B)	51.83	(178.99)	(94.49)	68.61
Finance Cost (₹) (C)	291.81	571.78	510.29	430.49
Depreciation and amortization expense (₹) (D)	17.89	49.53	29.19	28.32
EBITDA (₹) (A+B+C+D)	530.6	(1479.04)	771.23	996.46

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our company's Equity Shares are listed on the NSE. The Rights Equity Shares will be listed on NSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For details, see 'Terms of the Issue' on page 146 of this Letter of Offer.

Our Company has received in-principle approval for listing of the Rights Equity Shares on the NSE to be issued pursuant to this Rights Issue from NSE by letter dated January 20, 2023. Our Company will also make applications to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is NSE.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low, and average closing prices recorded on the NSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
March 31, 2022	April 19, 2021	40.00	3,000	June 09, 2021	33.75	24,000	36.46
March 31, 2021	February 22, 2021	42.50	9,000	July 20, 2020	23.00	3,000	29.23
March 31, 2020	June 12, 2019	36.25	6,000	March 12, 2020	23.50	3,000	31.36

Source: www.nseindia.com

STOCK PRICES FOR THE LAST SIX MONTHS

The high and low prices and volume of Equity Shares traded on the respective dates on the NSE during the last six months is as follows:

Month	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of Equity Shares
January 2023	January 06, 2023	54.90	9,300	January 31, 2023	44.00	21700	15	29,966.67
December 2022	December 02, 2022	50.90	9,300	December 15, 2022	45.60	3,100	20	36,425
November 2022	November 16,	50.25	12,400	November 04,	40.00	6,200	15	10,333

	2022			2022				
October 2022	October 07, 2022	43.45	6,200	October 03, 2022	40.85	6,200	05	5,580
September 2022	September 12, 2022	46.50	15,500	September 01, 2022	38.00	6,200	10	10,850
August 2022	August 19, 2022	38.10	9,300	August 30, 2022	36.20	3,100	03	5,167
July 2022	July 11, 2022	38.80	3,100	July 22, 2022	38.10	6,200	02	4,650

Source: www.nseindia.com

The high, low and average prices recorded on the NSE, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
Friday, February 03, 2023	40.20	44.00	January 31, 2023	40.20	February 03, 2023
Friday, January 27, 2023	44.00	45.15	January 23, 2023	44.00	January 27, 2023
Friday, January 20, 2022	47.50	52.00	January 16, 2023	47.50	January 20, 2023
Friday, January 13, 2022	54.50	54.65	January 10, 2023	51.95	January 12, 2023

Source: www.nseindia.com

The Issue Price of ₹ 24.00/- per Equity Share has been arrived at by our Company.

SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, our Group Company, or our Directors; (v) any litigation involving our Company, our Group Company, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and our Group Company in the preceding five (5) years from the date of this Letter of Offer; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Letter of Offer; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company or our Group Company in the preceding five (5) years from the date of this Letter of Offer; (xi) matters involving our Company and our Group Company pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

The details of the outstanding litigation or proceedings involving our Company, our Group Company and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI (ICDR) Regulations, for the purposes of disclosure, our Board on September 06, 2018 has considered all other pending litigations involving our Company, Group Company and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 10% of the net worth of our Company as per the Financial Information for fiscal 2022 is ₹1,869.74 lakh. Further, pre-litigation notices received by our Company, Directors and Group Company (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum.

Further, pre-litigation notices received by our Company, Directors and Group Companies, unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding litigations involving our Company and Group Companies. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company. However, we have disclosed all the pending litigations, statutory or regulatory actions and taxation matters involving our Company, Directors, Promoters and Group Companies in this Letter of Offer.

CONTINGENT LIABILITIES OF OUR COMPANY

Except the following our Company has no Contingent Liability as on March 31, 2022:

		Amount (in Lakhs)
Sr. No.	Particulars	Amount
1.	Income Tax Demand/Notices before CIT Appeals/TDS	1,389.40
2.	Bank Guarantee/Corporate Guarantee	1,139.06
Total		2,528.46

*Income Tax demand notices being raised by the Income Tax Authority has not been accepted by our Company therefore the demand amount has not been considered while computing the contingent liability of the Company.

I. LITIGATION INVOLVING OUR COMPANY

A. Civil cases filed by our Company

Nil

B. Criminal cases filed by our Company

Nil

C. Civil cases filed against our Company

Nil

D. Criminal cases filed against our Company

Nil

E. Revenue proceedings against our Company

Direct tax proceedings

Except the following, Company has not received any outstanding demand notice from Income Tax Department:

Amount in Rupees (₹)

Sl No.	Assessment Year	Demand Raised u/s.	Demand Outstanding
1.	2009	115_WE	49,522/-
2.	2016	143(1)(a)	3,40,410/-
3.	2014	143(3)	5,46,720/-
4.	2018	143(1)(a)	1,98,530/-
5.	2010	143(1)(a)	5,57,310/-
6.	2008	143(1)	15,12,526/-
7.	2009	143(1)(a)	6,79,610/-
8.	2012	154	18,68,980/-
9.	2013	220(2)	2,592/-
10.	2015	220(2)	56,470/-
Total			58,12,670/-

Indirect tax proceedings

1. There is Service tax proceeding against our Company for which Principal Commissioner, GST & CX has passed an order in respect of Service tax demands raised by Commissioner, Service Tax in relation to during the period 2007-2008 to 2014-2015. The aggregate amount disputed under these proceedings is ₹625.78 lakh.
2. There is Service tax proceeding against our Company for which Principal Commissioner, GST & CX has passed an order in respect of Service tax demands raised by Commissioner, Service Tax in relation to during the period April 2015 to March 2016. The aggregate amount disputed under these proceedings is ₹763.61 lakh.

F. Material frauds committed against our Company

Nil

G. Past cases where penalties imposed

Nil

H. Past inquiries, inspections and investigations under the Companies Act

Nil

I. Fines imposed or compounding of offences

Nil

J. Proceedings initiated against our Company for economic offences

Nil

K. Defaults and non-payment of statutory dues

Nil

II. LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS

A. Outstanding criminal litigation involving our Promoters and Directors

Nil

B. Outstanding civil cases involving our Promoters and Directors

Nil

C. Pending action by statutory or regulatory authorities against any of our Promoters and Directors

Nil.

D. Revenue proceedings involving our Promoters and Directors

Direct Tax

Except the following, Directors has not received any outstanding demand notice from Income Tax Department:

Amount in Rupees (₹)

Sl No.	Assessment Year	Demand Raised u/s.	Demand Outstanding
RAVINDRA MALINGA HEGDE (Promoter & Director)			
1.	2008(including accrued Interest)	143(1)	8,64,167/-
2.	2009	143(1)(a)	20,400/-
3.	2012	143(1)(a)	1,33,490/-
4.	2014	143(1)(a)	2,840/-
5.	2015	143(1)(a)	670/-
6.	2016	154	68,490/-
7.	2017	143(1)(a)	1,01,980/-
SUJATA RAVINDRA HEGDE (Promoter & Director)			
1.	2009	143(1)(a)	93,280/-
2.	2017	143(1)(a)	1,02,020/-
3.	2008(including accrued Interest)	143(1)(a)	4,43,125/-
Total			18,30,462/-

E. Other material outstanding litigation involving our Promoters and Directors

Nil

III. LITIGATION INVOLVING OUR GROUP COMPANIES

A. Outstanding criminal litigation involving our Group Company

Nil.

B. Outstanding civil case involving our Group Company

Nil

C. Pending action by statutory or regulatory authorities against any of our Group Company

Nil

D. Tax proceedings involving our Group Company

Nil

E. Other material outstanding litigation involving our Group Company

Nil

L. Outstanding dues to Creditors

Our Board has, pursuant to its resolution dated September 06, 2018, approved that all creditors of our Company to whom the amount due by our Company exceeds the material event of where the value involved or the impact exceeds 10% in terms of the gross turnover or revenue or total income; or exceeds 10% of the net worth.

The above thresholds shall be determined on the basis of audited Standalone financial statements of the Company's last audited financial year shall be considered "material" creditors of our Company.

The outstanding dues owed to small scale undertakings and other creditors as at March 31, 2022, separately, giving details of number of cases and amounts for all dues is set out below:

Material Creditors	Number of cases	Amount involved (₹ in lakh)
Small scale undertakings	-	8.79
Other creditors		503.76
Total		512.55

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at www.khfm.in. It is clarified that such details available on our website do not form a part of this Letter of Offer. Anyone placing reliance on any other source of information, including our Company's website, www.khfm.in, would be doing so at their own risk.

IV. MATERIAL DEVELOPMENTS SINCE MARCH 31, 2018

Except as stated below, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Letter of Offer, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next twelve (12) months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated October 06, 2022, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013;
- b. In-principle approval from NSE Emerge dated January 20, 2023, to use their name for listing of Equity Shares issued by our Company.
- c. The ISIN of the Company is INE00UG01014;

II. Approvals Related to Incorporation of Company

Sr. No.	Description	CIN	Registrar	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation of Kalpatarus Hospitality and Facility Management Services Private Limited	U74930MH2006PTC159290	Registrar of Companies, Maharashtra	January 27, 2006	Valid until Cancelled
2.	Fresh Certification of Incorporation consequent change in the name from Kalpatarus Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited	U74930MH2006PTC159290	Registrar of Companies, Maharashtra	August 10, 2012	Valid until Cancelled
3.	Fresh Certificate of Incorporation consequent upon conversion from KHFM Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Limited.	U74930MH2006PLC159290	Registrar of Companies, Maharashtra	May 30, 2018	Valid until Cancelled

III. Tax Approvals in relation to our Company

Sr No.	Description	Authority	Registration Number	Date of Certificate	Validity Upto
1.	Permanent Account Number (PAN)	Income Tax Department	AACCK7622F	January 27, 2006	Valid till Cancelled
2.	Tax deduction Account Number (TAN)	Income Tax Department	MUMK16212A	October 19, 2012	Valid till Cancelled
3.	GST Registration for the state of Maharashtra	The Central Goods and Services Tax Act, 2017	27AACCK7622F1ZM	August 07, 2018	Valid till Cancelled
4.	GST Registration for the state of Andhra Pradesh	The Central Goods and Services Tax Act, 2017	37AACCK7622F1ZL	January 01, 2019	Valid till Cancelled
5.	Registration Certificate under	The Maharashtra State Tax on	27260522926P	April 01, 2011	NA

	Professional Tax	Professions, Trades, Callings and Employments Act, 1975			
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IV. Approvals Obtained in relation to business operations

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Shop and Establishment Registration Certificate	Office of Chief Facilitator, Maharashtra Shop & Establishment (Regulation of Employment and condition of Service) Act, 2017	820198761/ KE Ward/COMMERCIAL II	December 29, 2021	NA
2.	MSME Registration Certificate	Ministry of Micro, Small and Medium Enterprise	UDYAM-MH-18-0007433	January 01, 2011	Valid till cancelled


V. Labour Related Approvals

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Registration under ESIC	Under the Employees' State Insurance Act, 1948	35-01685-101	September 19, 2006	NA
2.	Registration Certificate EPFO	The Employees Provident Fund & Miscellaneous Provision Act, 1952	Provident Fund Code-MH/94337	June 21, 2006	NA
3.	Registration for Contract Labour for contract work of 'Preventive decontamination of various floors & equipment's in active & non-active areas at (Inside OPI), for Nuclear Power Corporation of India Limited, Rawatbhata Rajasthan Site Unit 5 And 6, Anushakti, Kota, Rajasthan - 323303	Office of the License Officer, Kota under the Contract Labour (Regulation and Abolition) Act, 1970	License No.: CLRA/ALCKOTA/2022/L-218	November 30, 2022	November 29, 2022
4.	Registration for Contract Labour for contract work of 'Running of Industrial Canteen into two shifts on all days except Sundays and national holidays at KKNPP Site 3 & 4 site., for NPCIL Kudankulam Nuclear Power Project, Kudankulam P.O, Radhapuram Taluk, Tirunelveli, Tamil Nadu - 627106	Office of the Licensing Officer under the Contract Labour (Regulation and Abolition) Act, 1970	Registration bearing no.: ISMW/RLCMADU RAI/2022/L-11	June 07, 2022	June 06, 2023
5.	Registration for Contract Labour for contract work of 'Running of Industrial Canteen into two shifts on all days except Sundays and national holidays at KKNPP Site 3 & 4 site., for NPCIL Kudankulam Nuclear Power Project, Kudankulam P.O, Radhapuram Taluk, Tirunelveli, Tamil Nadu - 627106	Office of the Licensing Officer under the Contract Labour (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/RLCMADU RAI/2022/L-75	June 07, 2022	June 06, 2023
6.	Registration for Contract Labour for contract work of 'catering and Housekeeping Services at Odalarevu Onshore Gas terminal, Odalarevu, for ONGC, Onshore TerminV, Odalarevu Village, Allavaram Madal, Near	Office of the Licensing Officer under the Contract Labour (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/ALCVIJAY AWADA/2022/L-11	Jan 07, 2022	Jan 06, 2023

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Amalapuram, East Godavari, Andhra Pradesh – 533210’				
7.	Registration for Contract Labour for contract work of ‘Running of industrial canteen services and tea pantrsy on round the clock shift basis on all days at Asnuprabha canteen, kapp 3&4, kakrapar gujarat site, NPCIL”, for Nuclear Power Corporation of India ltd, Kakrapar atomic power project 3 and 4, Anumala, via vyara, Tapi, Gujarat - 394651’	Office of the Licensing Officer under the Contract Labour and (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/RLCVADO DARA/2021/L-326	Original date of Certificate: September 29, 2021 Renewed on: August 26, 2022	August 28, 2023
8.	Registration for Contract Labour for contract work of ‘Running of Industrial Canteen at Anudisha building, Kakrapar Gujarat site, NPCIL”, At Nuclear Power Corporation of India Ltd, Kakrapar Atomic Power Project 3 And 4, Anumala, Via Vyara, Surat, Gujarat, - 394651’	Office of the Licensing Officer under the Contract Labour and (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/RLCVADO DARA/2021/L-317	Original date of Certificate: September 21, 2021 Renewed on: August 26, 2022	September 20, 2023
9.	Registration for Contract Labour for contract work of ‘Sanitation- 73/2020-Sanitation services in Mumbai Port Trust residential colonies by providing manpower and material for a period of two Years, for mumbai port trust , port bhavan, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai, Maharashtra - 400001’	Office of the Licensing Officer under the Contract Labour and (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/ALCMUM BAI3/2021/L-110	Original date of Certificate: September 15, 2021 Renewed on: August 20, 2022	September 14, 2023
10.	Registration for Contract Labour for contract work of ‘Mechanized and Manual Cleaning And Removal Of Garbage From Jaynagar Station for Four Years, For East Central Railway, Jaynagar Station, Samastipur Division, Samastipur, Bihar - 848101’	Office of the Licensing Officer under the Contract Labour and (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/ALCPAKs UR/2021/L-203	Original date of Certificate: September 23, 2021 Renewed on: September 16, 2022	September 22, 2023
11.	Registration for Contract Labour for contract work of ‘Catering and Housekeeping Services at Canteen area at OGT and Housekeeping Services at OGT for Oil and Natural Gas Corporation Ltd, for Oil and Natural Gas Corporation Ltd, HPHT Asset, STC ware House complex, Beach Road, Kakinada, East Godavari, Andhra Pradesh - 533007’	Office of the Licensing Officer under the Contract Labour and (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/ALCVIJAY AWADA/2021/L-156	Original date of Certificate: July 16, 2021 Renewed on: July 08, 2022	July 15, 2023
12.	Registration for Contract Labour for contract work of ‘Housekeeping of various shops/section. common area & Toilet/washing area and scrap handling at carriage repair workshop lower Parel, For carriage repair workshop, Western Railway, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra - 400013’	Office of the Licensing Officer under the Contract Labour and (Regulation and Abolition) Act, 1970	Registration bearing no.: CLRA/ALCMUM BAI3/2021/L-144	Original date of Certificate: November 15, 2021 Renewed on: December 12, 2022	November 14, 2023
13.	Registration for Contract Labour for contract work of ‘Reception, Food,	Office of the Licensing Officer under the	Registration bearing no.:	Original date of Certificate:	October 12, 2023

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Catering and Housekeeping Services at Noida Office Cum Transit Accommodation at Nuclear Power Corporation of India Limited, Noida NPCIL guest house,, sector 62,, Gautam Buddha Nagar, Uttar Pradesh - 201301	Contract Labour and Abolition) Act, 1970	CLRA/RLCNOID A/2020/L-169	October 13, 2021 Renew Application on: October 17, 2022	
14.	License to run Private Security Agency	Office of Joint Commissioner	Registration no. PSAL/L/96/MH/2022/AUG/3/2121	Issued Date: August 10, 2022 Valid from: February 03, 2022	February 02, 2022
15.	License to obtain Insecticides	Department of Agriculture, Maharashtra under the Insecticides Act, 1968	Registration no. LJID01014974	October 07, 2020	October 06, 2022
16.	License to run business as caterer	Department of Food and Drug Administration, Maharashtra under the Food Safety and Standards Act, 2006	License No.: 10019022010297	January 08, 2021	October 10, 2023

VI. Intellectual property related approvals

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Logo/Device	Trademark Application No.	Class of the Trademark	Date of Application	Valid Up to	Registration Status
1.	Trademark	Device		2834697	37	October 30, 2014	October 30, 2024	Registered

VII. Registration Certificate Yet to Receive – N.A.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on Thursday, October 06, 2022 approved the Rights Issue;
2. The Board of Directors of our Company in their meeting conducted on Thursday, February 02, 2023 approved this Issue inter-alia on the following terms:

Issue Size	1,00,22,299 (One Crore Twenty-Two Thousand Two Hundred and Ninety-Nine) Equity Shares;
Issue Price	₹24.00/- (Rupees Twenty-Four Only) per Right Equity Share, including a premium of ₹14.00/- (Rupees Fourteen Only) per Rights Equity Share);
Rights Issue Entitlement Ratio	1:1 i.e., 1 (One) Equity Shares for every 1 (One) Equity Shares held by eligible Equity Shareholders of our Company as on Record Date;
Record Date	Friday, February 10, 2023;

The Board of Directors in their meeting held on Thursday, February 02, 2023 have determined the Issue Price as ₹24.00/- (Rupees Twenty-Four Only) per Equity Share and the Rights Entitlement as 1 (One) Rights Equity Share for every 1 (One) Equity Share held on the Record Date.;

3. This Letter of Offer has been approved at Committee meeting of the Board of Directors on February 13, 2023;
4. Receipt of In-principle approval from NSE in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number Ref.No: NSE/LIST/C/2023/0084 from NSE dated January 20, 2023. Our Company will also make application to NSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
5. Our Company has been allotted the ISIN INE00UG20014 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company;

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders or wilful defaulters;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

8. The Company, its Promoters, members of Promoter Group, are in compliance with Companies (Significant Beneficial Ownership) Rules, 2018;

PROHIBITION BY RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the National Stock Exchange of India Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations.
3. Our Company undertakes to make an application to National Stock Exchange of India Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

1. The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to NSE for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE PART B-1 OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of Stock Exchange;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is less than ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date of this Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Rights Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Rights Issue will be NSE.

DISCLAIMER CLAUSE OF NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/C/2023/0084 dated January 20, 2023 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed the Draft Letter of Offer with NSE for obtaining in-principle approval.

PREVIOUS PUBLIC OR RIGHTS ISSUES, IF ANY, DURING THE LAST FIVE YEARS

Our Company has not made any public issue or rights issue of any kind or class of securities since incorporation, and hence disclosures with respect to Performance vis-à-vis objects–Public/ rights issue by our Company, is not applicable.

CONSENTS

Consents in writing of all our Directors, Legal Counsel to the Issue, the Registrar to the Issue, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Letter of Offer.

EXPERT

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

Our Company has received a written consent from our Statutory Auditors, M/s. Bhushan Khot & Co., Chartered Accountant, to include their name in this Letter of Offer and as an ‘expert’, as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated November 11, 2022, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

SELLING RESTRICTIONS

The distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and National Stock Exchange of India Limited. Accordingly, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or

would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor the Registrar nor any of their respective affiliates are making any representation to any offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Right Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Right Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Right Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We, the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**

- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of Girish Ramnani, Sujata Ravindra Hegde and Saurav Ravindra Hegde members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, **Bigshare Services Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by **Bigshare Services Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right

Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on page 146 of this Letter of Offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary - Compliance Officer & CFO	Registrar to the Issue
<p>Mr. Rahul Krishna Pathak 01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East), Mumbai 400 059, Maharashtra, India. Telephone: +91 22 4057 4300 Email id: cs@khfm.in Website: www.khfm.in</p>	<p>Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Mumbai - 400093, India. Telephone: +91 -22 -62638200/22; Email: rightsissue@bigshareonline.com; Investor Grievance Email: investor@bigshareonline.com; Contact Person: Mr. Vijay Surana Website: www.bigshareonline.com SEBI Registration Number: INR000001385</p>

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application By Eligible Equity Shareholders Holding Equity Shares In Physical Form' on page 161 of this Letter of Offer.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, ASBA Circular, our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	www.khfm.in
Registrar to the Issue	www.bigshareonline.com
NSE Limited	www.nseindia.com

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.bigshareonline.com by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.khfm.in/.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Process of making an Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page 157, respectively of this Letter of Offer.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled '**Rights Entitlements in demat accounts**' on page 148 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 161 of this Letter of Offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 156 of Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise RightsEntitlements relating to:

- (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- (b) Equity Shares held in the account of IEPF authority; or
- (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- (e) Credit of the Rights Entitlements returned/reversed/failed; or
- (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
- (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by Wednesday, March 08, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.khfm.in/)

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Purpose	Link / Email- ID
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	www.bigshareonline.com/ www.khfm.in
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders	
Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company	
Updating of demat account details by Eligible Shareholders holding shares in physical form	

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

BASIS FOR THIS ISSUE

The Rights Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date i.e., Friday, February 10, 2023.

RIGHTS ENTITLEMENTS

The Rights Entitlements are tradable in dematerialized form only. The Market lot and Trading lot for the Right Entitlements shall be 3,100 (Three Thousand One Hundred) Equity Shares and in multiples of 3,100 (Three Thousand One Hundred) thereafter. To clarify further, fractional entitlements are not eligible for trading. The trading of the Equity Shares post Right Issue will happen in lots only. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE.

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. Friday, February 10, 2023, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., <https://www.khfm.in/>).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

PRINCIPAL TERMS OF THIS ISSUE

Face Value	Each Rights Equity Share will have the face value of ₹10.00/- (Rupees Ten Only).
Issue Price	₹24.00/- (Rupees Twenty-Four Only) per Rights Equity Share issued in 1 (One) Rights Entitlement, per Rights Equity Share, including a premium of ₹14.00/- (Rupees Fourteen) per Rights Share). On Application, Investors will have to pay ₹24.00/- (Rupees Twenty-Four Only) per Rights Share, the Issue Price.
Rights Entitlements Ratio	The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (One) lot of Rights Equity Shares for every 1 (One) lot of Equity Shares held, i.e., 3,100 (Three Thousand One Hundred) Rights Equity Shares being 1 (One) lot of Rights Equity Shares for every 3,100 (Three Thousand One Hundred) Equity Shares being 1 (One) lot of Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Friday, February 10, 2023.

Renunciation of Rights Entitlements	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and <i>vice versa</i> shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see ‘Procedure for Renunciation of Rights Entitlements’ on page 155 of this Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>
Credit of Rights Entitlements in dematerialised account	<p>In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e., Friday, February 10, 2023; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE00UG20014. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from Monday, February 27, 2023 to Friday, March 03, 2023 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by Friday, March 10, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.</p> <p>Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented</p>

	<p>thereat.</p> <p>PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., FRIDAY, MARCH 10, 2023 AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE ‘PROCEDURE FOR APPLICATION’ ON PAGE 152 OF THIS LETTER OF OFFER.</p>
<p>Trading of the Rights Entitlements</p>	<p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under Rights Entitlement ISIN INE00UG20014. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, <i>i.e.</i>, from Monday, February 27, 2023, to Friday, March 03, 2023, (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see ‘<i>Procedure for Renunciation of Rights Entitlements – On Market Renunciation</i>’ and ‘<i>Procedure for Renunciation of Rights Entitlements – Off Market Renunciation</i>’ on page 155 and page no 156 respectively of this Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see ‘<i>Procedure for Application</i>’ on page 152 of this Letter of Offer.</p> <p>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</p>
<p>Terms of Payment</p>	<p>On Application, Investors will have to pay ₹24.00/- (Rupees Twenty-Four Only) per Rights Equity Share including a premium of ₹14.00/- (Rupees Fourteen Only) per Rights Share). Taking into consideration the Market Lot the Issue Price payable amounts to ₹74,400.00/- (Rupees Seventy-Four Thousand Four Hundred Only) for the Rights Entitlement of 1 (One) Lot being 3,100 (Three Thousand One Hundred) Equity Shares.</p> <p>Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.</p>
<p>Credit Rating</p>	<p>As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.</p>
<p>Ranking</p>	<p>The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank <i>pari passu</i> with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.</p>
<p>Listing and trading of</p>	<p>Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as</p>

<p>the Rights Equity Shares to be issued pursuant to this Issue</p>	<p>practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the National Stock Exchange of India Limited vide its letter bearing reference number NSE/LIST/C/2023/0084 dated January 20, 2023. Our Company will apply to NSE for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on NSE (Symbol: KHFM) under the ISIN: INE00UG01014. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading '<i>Terms of Payment</i>' at page 37 of this Letter of Offer.</p>
<p>Subscription to this Issue by our Promoters and our Promoter Group</p>	<p>For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the chapter titled '<i>Capital Structure – Intention and extent of participation by our Promoters/Principal Shareholders</i>' on page 44 of this Letter of Offer.</p>
<p>Rights of Holders of Rights Equity Shares of our Company</p>	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ol style="list-style-type: none"> The right to receive dividend, if declared; The right to vote in person, or by proxy; The right to receive surplus on liquidation; The right to free transferability of Rights Equity Shares; The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association. <p>Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue</p>

GENERAL TERMS OF THE ISSUE

Market Lot	<p>The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The Market lot and Trading lot for the Right Entitlements is 1 (One) lot comprising of 3,100 (Three Thousand One Hundred) Equity Shares and in multiples of 3,100 (Three Thousand One Hundred). To clarify further, fractional entitlements are not eligible for trading. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE</p>
Fractional Entitlement	<p>Fractional entitlements are not eligible for trading. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.</p>
Joint Holders	<p>Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.</p>
Nomination	<p>Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.</p> <p>Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.</p>
Arrangements for Disposal of Odd Lots	<p>The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The Market lot and Trading lot for the Right Entitlements is 1 (One) lot comprising of 3,100 (Three Thousand One Hundred) Equity Shares and in multiples of 3,100 (Three Thousand One Hundred) thereafter. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.</p>
Restrictions on transfer and transmission of shares and on their consolidation/splitting	<p>There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.</p>
Notices	<p>In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (‘Issue Materials’) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p>

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/ Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on vijay@bigshareonline.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Shareholders holding Equity Shares in physical form as on the Record Date, see 'Procedure for Application by Eligible Shareholders holding Equity Shares in physical form' on page 158 of this Letter of Offer.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchange.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://www.bigshareonline.com>. Investors can access this Letter of Offer, the Abridged Letter of Offer, and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	www.khfm.in
Registrar to the Issue	www.bigshareonline.com
National Stock Exchange of India Limited	www.nseindia.com

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://www.bigshareonline.com/RightsIssue.aspx> by entering their DP-ID and Client-ID or Folio Number (Physical Shareholders) and PAN. The link for the same shall also be available on the website of our Company at <https://www.khfm.in/>.

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 164 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making a plain paper Application. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 159 of this Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 159 of this Letter of Offer.

ADDITIONAL RIGHTS SHARES

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 169 of this Letter of Offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of NSE Limited through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the RE ISIN INE00UG20014 allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Monday, February 27, 2023 to Friday, March 03, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN INE00UG20014 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchange under automatic order matching mechanism and on 'T+2 rolling settlement bases', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchange and SEBI.

(i) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN INE00UG20014 allotted for the Rights Entitlement subject to requisite approvals, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED

The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being '***KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED***';
- (ii) Name and address of the Eligible Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio Number/DP-ID and Client ID Number;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;

- (vi) Number of Rights Shares entitled to;
- (vii) Total number of Rights Shares applied for within the Rights Entitlements;
- (viii) Number of additional Rights Shares applied for, if any;
- (ix) Total Application Money at the rate of ₹24.00/- for Rights Shares;
- (x) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xi) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
- (xiii) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xiv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xv) In addition, all such Eligible Shareholders are deemed to have accepted the following:

'I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the 'US Securities Act'), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the 'United States'), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ('Regulation S') to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and

under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. Friday, 10 February, 2023 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	www.khfm.in
Registrar to the Issue	www.bigshareonline.com
NSE Limited	www.nseindia.com

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.khfm.in);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. FRIDAY, FEBRUARY 10, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
2. Please read the instructions on the Common Application Form sent to you.
3. The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
4. Application should be made only through the ASBA facility.
5. Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
6. In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA process' on page 159 of this Letter of Offer.
7. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be 'suspended for credit' and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.

13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

1. Ensure that the Common Application Form and necessary details are filled in.
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ('Demographic Details') are updated, true and correct, in all respects.
4. Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
5. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
6. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

7. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
8. Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
9. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
10. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
11. Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Dont's:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
4. Do not pay the Application Money in cash, by money order, pay order or postal order.
5. Do not submit multiple Applications.
6. Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
7. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
8. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
4. Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
5. Account holder not signing the Application or declaration mentioned therein.
6. Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
7. Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.

8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
11. Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
12. Physical Common Application Forms not duly signed by the sole or joint Investors.
13. Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
15. Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper

Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at

the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

MODE OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in subsection (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

1. Mode of payment for Resident Investors

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the

beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- (i) Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, the National Stock Exchange of India Limited and our Company;

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

- (ii) Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- (iii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Rights Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India;
- (iii) In case of an Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renouncees, who are not Eligible Shareholders, must submit regulatory approval for applying for additional Rights Shares;

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such

Applications shall not be treated as multiple applications. For details, see ‘**Procedure for Applications by Mutual Funds**’ on page 173 of this Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in ‘**Capital Structure** – Intention and extent of participation by our Promoters Chapter’ on page 45 of this Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is Friday, March 10, 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the paragraph titled ‘Basis of Allotment’ on page 169 of this Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, February 17, 2023
ISSUE OPENING DATE	Monday, February 27, 2023
LAST DATE FOR ON MARKET RENUNCIATION*	Wednesday, March 08, 2023
ISSUE CLOSING DATE[#]	Friday, March 10, 2023
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Tuesday, March 21, 2023
DATE OF ALLOTMENT (ON OR ABOUT)	Thursday, March 23, 2023
DATE OF CREDIT (ON OR ABOUT)	Friday, March 24, 2023
DATE OF LISTING (ON OR ABOUT)	Monday, March 27, 2023

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

[#]Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. Friday, March 10, 2023.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. Friday, 10 February, 2023, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., Wednesday, 08 March, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Thursday, March 09, 2023.

For details, please see the section titled 'General Information' on page 39 of this Letter of Offer.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Shares renounced in their favour, in full or in part.
2. For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 3,100 (Three Thousand and One Hundred) Rights Equity Shares or not in multiples of 3,100 (Three Thousand and One Hundred) as on Record Date, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. However, the Market Makers of the Company may accept odd lots if any in the market at the prevailing Market Price as required under the SEBI (ICDR) Regulations. In terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot at the prevailing Market Price, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the NSE.
3. Allotment to the Eligible Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Rights Shares renounced in their favour, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e- mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to

do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as '**NACH**') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as '**NEFT**') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT

PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/ REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated June 26, 2018 with NSDL and an agreement dated July 05, 2018 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ('OCI') may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an

Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ('Restricted Investors'), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ('NBFC-SI')

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

'Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.'

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than

₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

MINIMUM SUBSCRIPTION

The Promoters of our Company through its letters dated October 15, 2022, have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The objects of the Issue involve Construction and Development of Warehouse and general corporate purposes. Further, our Promoters have undertaken that they will subscribe to the full or part of the extent of their Rights Entitlements subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations.

IMPORTANT

1. Please read the Issue Materials carefully before taking any action. The instructions contained in the Issue Materials are an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed 'KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED – RIGHT ISSUE' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Bigshare Services Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Murubai - 400093, India.

Telephone: +91 -22 -62638200/22;

Email: rightsissue@bigshareonline.com;

Investor Grievance Email: investor@bigshareonline.com;

Contact Person: Mr. Vijay Surana

Website: www.bigshareonline.com

SEBI Registration Number: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 40430200 / 62638200.
4. This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the 'government route', where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ('FDI') and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ('DPIIT'), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ('FDI Circular 2020'), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Registrar to the Issue and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ('OCBs') have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further,

while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Registrar are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X- OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and the documents for inspection referred to hereunder, would be available on the website of the Company at www.khfm.in from the date of this Letter of Offer until the Rights Issue Closing Date.

A Material Contracts to the Rights Issue

1. Registrar Agreement dated November 01, 2022 between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated February 14, 2023 among our Company, the Registrar to the Issue and the Bankers to the Issue;

B Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of Incorporation dated January 27, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai;
3. Fresh Certificate of Incorporation dated August 10, 2012 issued by the Registrar of Companies, Mumbai, Maharashtra consequent upon change of name from Kalpatarus Hospitality and Facility Management Services Private Limited to KHFM Hospitality and Facility Management Services Private Limited.
4. Fresh Certificate of Incorporation dated May 30, 2018 issued by the Registrar of Companies, Mumbai, Maharashtra consequent upon conversion of the Company to Public Company.
5. Resolution of the Board of Directors of our Company dated October 06, 2022, authorizing the Issue and other related matters.
6. Copies of the Audited Financial Statements of our Company for the period ended September 30, 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020;
7. Resolution of our Board of Directors dated Thursday, February 02, 2023, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
8. Committee Resolution dated Tuesday, January 10, 2023, approving the Draft Letter of Offer;
9. Resolution of our Board of Directors dated Monday, January 23, 2023, approving this Letter of Offer;
10. Consents of our Directors, Company Secretary, Chief Financial Officer, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
11. Report on Statement of Special Tax Benefits dated November 11, 2022, for our Company from the Statutory Auditors of our Company;
12. In-principle approval issued by NSE *vide* letter dated January 20, 2023;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ravindra Malinga Hegde <i>Managing Director</i>	Sd/-
Sujata Ravindra Hegde <i>Executive Director</i>	Sd/-
Saurav Ravindra Hegde <i>Executive Director</i>	Sd/-
Brahm Pal Singh <i>Non-Executive & Independent Director</i>	Sd/-
Girish Gobindram Ramnani <i>Non-Executive & Independent Director</i>	Sd/-
Kapildeo Ramswarup Agrawal <i>Non-Executive & Independent Director</i>	Sd/-

Date: February 14, 2023

Place: Mumbai