



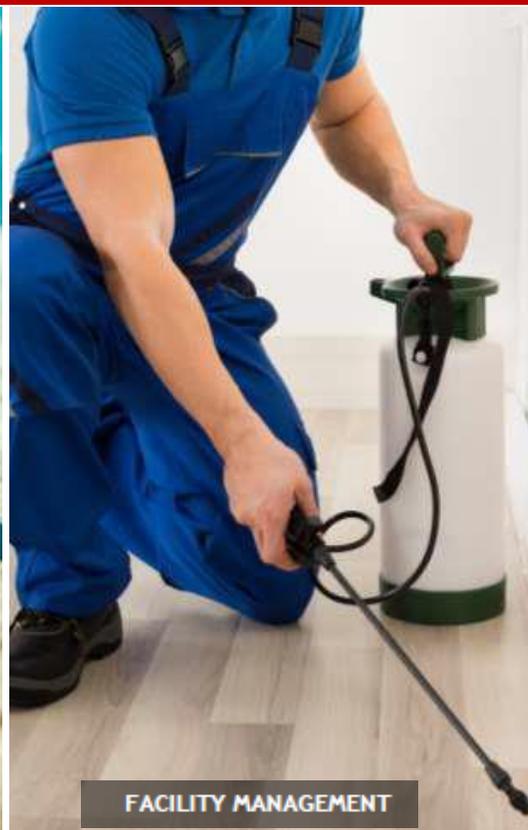
Hospitality & Facility management Services

**ANNUALREPORT
FINANCIAL YEAR 2020 - 21**

**KHFM HOSPITALITY AND FACILITY
MANAGEMENT SERVICES LIMITED**



HOUSEKEEPING MANAGEMENT



FACILITY MANAGEMENT



GARDENING MANAGEMENT

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Name of Company: KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

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

CIN: L74930MH2006PLC159290, Website: www.khfm.in

Email: cs@khfm.in,

Tel: +91 22 2851 1234 Fax: +91 22 2859 1483

<p><u>BOARD OF DIRECTORS</u></p> <p>Mr. Ravindra Malinga Hegde Managing Director</p> <p>Mrs. Sujata Ravindra Hegde Executive Director</p> <p>Mr. Saurav Hegde Executive Director</p> <p>Mr. Ravi Vimal Nevatia Non-Executive, Independent Director (Resigned w.e.f. July 30, 2021)</p> <p>Mr. Brahm Pal Singh Non-Executive, Independent Director</p> <p>Ms. Riddhi Ravindra Hegde Non-Executive Director</p>	<p><u>COMPANY SECRETARY & COMPLIANCE OFFICER</u></p> <p>Mr. Rahul Krishna Pathak</p> <hr/> <p><u>CHIEF FINANCIAL OFFICER</u></p> <p>Mr. Naveen Alias Carvallo</p> <hr/> <p><u>BANKERS</u></p> <p>Apna Sahakari Bank, Bank of India HDFC Bank Central Bank of India State Bank of India</p>
<p><u>AUDITORS</u></p> <p>Statutory Auditors M/s. Bhushan Khot & Company Chartered Accountants</p> <p>Internal Auditors G. R. Shetty & Co. Chartered Accountants</p> <p>Secretarial Auditors Mishra & Associates Practicing Company Secretaries</p>	<p><u>REGISTRAR AND SHARE TRANSFER AGENTS</u></p> <p>BIG SHARE SERVICES PRIVATE LIMITED</p> <p>1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059</p> <p>Tel: +91-022-62638200 Fax: +91-022-62638299 Email: investor@bigshareonline.com</p>

CHAIRMAN'S AND MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

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

I hope this letter finds you in good health. The covid-19 pandemic dealt a body blow to the Indian economy. The government's aggressive vaccination program is helping check the pandemic's worst effects. Most of the country's population is expected to be vaccinated by the end of this year. Businesses are finally starting to look to the future with hope and optimism.

KHFM has weathered the pandemic with remarkable resilience. Our investments in future growth over the years and our strategic forays into new areas enabled us to meet our growth targets for FY 20-21. At a company level, we take a disciplined, portfolio view to optimizing our revenue mix. This ensures our participation in the right opportunities and our continued relevance in the marketplace.

The macro picture

The International Monetary Fund (IMF) has forecasted a growth of 9.5% for the Indian economy. Whether the country will meet this ambitious target will depend on the strength and speed of the government's policy response. Several structural factors require urgent attention. As with any crisis, we hope the pandemic creates the necessary political capital to pull ahead with reforms. Multiple stimulus programs launched by the government, besides clear-headed fiscal and monetary policies, ensured that there was enough liquidity in the market, inflation remained in check, and infrastructure spending continued apace.

The Indian Facility Management Market is anticipated to record a CAGR of 24%, over the forecast period (2020 - 2025). The growing emphasis on outsourcing of non-core operations and growth in the real estate sector is expected to drive the Indian market for facility management services. Along with this the government regulation on safety measures and environmental concerns to follow green practices is expected to drive the market. Facility Management encompasses various disciplines ranging from hard services such as physical structure services, lifts, etc. to soft services such as human interaction, cleaning, etc. The Indian market for outsourcing such facilities is expected to grow over the coming years, owing to the organization's efforts to concentrate on the core process growth.

Your Company's Performance

We have had an exceptional year. Due to the Covid-19 outbreak there has been a fall in our performance but we managed to keep the balance and it gives me great pleasure to share with you the highlights of our Company's performance, during the year ending March 31, 2021. The total turnover of the Company is Rs. 114,98,31,047/- as compared to previous year Rs. 1,15,24,89,456/-. The Profit Before Tax of the Company is Rs. 2,31,75,606/- as compared to previous year Rs. 3,05,14,999/- and Profit After Tax of the company stood at Rs. 3,26,24,536/- as compared to previous year Rs. 4,39,91,931/-.

The Road Ahead

On balance, we believe the future of the Facilities Management Services is positive with most companies shifting to a hybrid operating model with some employees working from the office and some from home. Given that productivity is on the wane in a remote working environment, we expect leaders to implement plans throughout the fiscal to bring people back to work. The sector is estimated to clock high double-digit CAGR over the next few years.

KHFM is one of the fastest growing integrated facilities management companies and we will continue to channel our efforts to ensure that we establish pole positions in the areas in which we operate. This is an optimistic time for us at KHFM and we look forward to further improving our performance in FY22.

I would like to thank all our employees, contractors, vendors, suppliers, stakeholders and investors for their faith in us. We promise to deliver on our commitments throughout the current fiscal. We hope that you and your families remain safe.

Yours Sincerely

Sd/-

Ravindra Malinga Hegde

Managing Director

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of KHFM Hospitality and Facility Management Services Limited will be held on Monday, 22nd November, 2021 at 04:00 P.M. at Hotel Host Inn International, Opp. Marol Fire Brigade, Marol Naka, Andheri Kurla Road, Andheri (E), Mumbai-400059 Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the reports of the Board of Directors' and the Auditors' thereon and the Audited consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021.
2. To appoint a Director in place of Mr. Ravindra Malinga Hegde (DIN: 01821002), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS

3. To appoint Ms. Riddhi Ravindra Hegde as Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, Ms. Riddhi Ravindra Hegde (DIN: 09093643), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24/03/2021 pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

4. To appoint Mr. Girish Gobindram Ramnani as an independent director of the company.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT Mr. Girish Gobindram Ramnani (DIN: 09362318), who was appointed as an additional Non-executive independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration

committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period up to **05** Years.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. To appoint Mr. Bharat Vithaldas Kanani as an independent director of the company.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT Mr. Bharat Vithaldas Kanani (DIN: 00019834), who was appointed as an additional Non-executive independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period up to **05** Years.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. To approve the issue of Bonus issue

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions of regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) from time to time, and in accordance with the provisions contained in the Memorandum of Association and Articles of Association of the Company and pursuant to the recommendation of the Board of Directors of the Company, and subject to other approvals, consents, permissions, conditions and sanctions, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board for capitalization of such sums standing to the credit of the free reserves of the Company at 31st March, 2021, as may be considered necessary by the Board, for the purpose of the issue of bonus equity shares of Rs. 10/- each, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their said holding and whose names appear in the Register of

Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board (“Record date”), in the proportion of 1 (One) equity shares for every 30 (Thirty) existing equity share held by the Members and any fraction of an Equity shares arising out of bonus issue will be rounded off to the nearest 1.

RESOLVED FURTHER THAT the new equity shares of Rs. 10/- (Rupees Ten only) each to be allotted as Bonus Shares shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company, SEBI (ICDR) Regulations, 2018 and shall rank pari-passu with the existing fully paid-up equity shares of the Company in all respects and shall be entitled to participate in full in any corporate action declared after the new equity shares are allotted and no allotment letters shall be issued to the allottees of the bonus shares.

RESOLVED FURTHER THAT New Equity Shares will be credited in the electronic form to the demat accounts of the shareholders who hold existing Equity Shares in dematerialized form, within the period prescribed.

RESOLVED FURTHER THAT the Board and Company Secretary be and is hereby authorized Severally to take necessary steps for listing of the Bonus Shares on the Stock Exchange where the Equity Shares of the Company are listed, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations.

RESOLVED FURTHER THAT the Board and Company Secretary be and is hereby authorized Severally to do all such acts, deeds, matters and things and give such directions as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment, distribution and listing of the Bonus Equity Shares and determine all other terms and conditions of the issue of bonus equity shares as the Board may in its absolute discretion deem fit.”

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

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

**DATE: OCTOBER 29, 2021
PLACE: MUMBAI**

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 to 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total Share Capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
3. The proxies in order to be effective must be received at the registered office of the company, not less than forty eight hours before the commencement of the meeting.
4. Members/Proxies/Authorized Representatives should bring the Attendance Slip duly filled in and signed for attending the Meeting and also their copy of the Annual General Meeting notice. Members who hold equity shares in electronic mode are requested to write the Client ID and DP ID number and those who hold equity shares in physical mode are requested to write their folio number in the attendance slip.
5. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated, are provided.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th November, 2021 to 22nd November, 2021 (both days inclusive) in the terms of the provisions of the Companies Act, 2013 and the Listing Agreement for the purpose of the Annual General Meeting.
9. The voting rights of member(s) shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Monday, 15th November, 2021. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Monday, 15th November, 2021 only shall be entitled to avail the facility of remote e-voting. A person who is not member as on the cut-off date should treat this notice for information purpose only.

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

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

The remote e-voting period begins on Friday, November 19, 2021 at 09:00 A.M. and ends on Sunday, November 21, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. November 15, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being November 15, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open.

	<p>You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile

	<p>& Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</p>

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

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

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

B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mishragamiassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Sagar S Gudhate at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@khfm.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@khfm.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
 4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
-

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 3:

Ms Riddhi Ravindra Hegde, DIN: 09093643, was appointed by the Board of Directors of the Company at its meeting held on 24/03/2021, as Additional Non-Executive Director of the Company effective from 24/03/2021 in terms of Section 161 of the Companies Act, 2013. She will vacate office at this Annual General Meeting.

The Board at its meeting held on 29/10/2021, recommended for the approval of the Members, the appointment of Ms Riddhi Ravindra Hegde, as Non-Executive Director of the Company as set out in the Resolution. Further notice under Section 160 of the Act has been received from Members proposing his/her appointment as a Director of the Company. Requisite consent, pursuant to Section 152 of the Act, has been filed by him/her to act as Director, if appointed.

Mr. Ravindra Malinga Hegde, Mrs. Sujata Ravindra Hegde & Mr. Saurav Ravindra Hegde are interested in the Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this resolution for your approval.

ITEM NO. 4 AND 5:

The Board of Directors of the Company at its meeting held on 29/10/2021, recommended for the approval of the Members, the appointment of Mr. Girish Gobindram Ramnani (DIN: 09362318), as an Independent Director, and Mr. Bharat Vithaldas Kanani (DIN: 00019834) of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013.

In order to draw upon their rich experience, the Board appointed Mr. Girish Gobindram Ramnani and Mr. Bharat Vithaldas Kanani as Additional Non-Executive Director of the Company effective 29/10/2021, and will vacate office at this Annual General Meeting.

Your Board considers that Mr. Girish Gobindram Ramnani and Mr. Bharat Vithaldas Kanani's association with the Company as an Independent Director would benefit the Company. Declaration has been received that the criteria of Independence prescribed under Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 is met by him/her. Your Board is also of the opinion that Mr. Girish Gobindram Ramnani and Mr. Bharat Vithaldas Kanani fulfils the conditions specified in the Act and the Rules thereunder for his appointment as Independent Director and that he is independent of the management of the Company. In addition to sitting fees for attending meetings of the Board and Committees thereof, the independent director will be entitled to remuneration by way of sitting fees, as approved by the Members for Non- Executive Directors of the Company, and as may be determined by the Board.

Notice under Section 160 of the Act has been received from Mr. Girish Gobindram Ramnani and Mr. Bharat Vithaldas Kanani proposing their appointment as Director of the Company. Requisite consent,

pursuant to Section 152 of the Act, has been filed by Mr. Girish Gobindram Ramnani and Mr. Bharat Vitthaladas Kanani to act as Director, if appointed. None of the Directors, Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends this resolution for your approval.

ITEM NO. 6:

The Equity Shares of your Company are actively traded on the SME platform of NSE Limited. The Company has grown multifold and performed significantly well over the period.

With a view to rewarding the existing shareholders and to expand the retail shareholders' base, the Board of Directors, at their meeting held on October 29, 2021, considered, approved and recommended issue of shares by increasing the Issued, Subscribed and Paid-up Share Capital of the Company to a sum of Rs. 10,02,22,990/- after capitalizing a sum not exceeding Rs. 32,32,990/- from the Free Reserves as appropriate, as per the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 by applying the same towards payment of unissued shares to be issued to the members as fully paid bonus shares. The capitalization of Free Reserves requires members' approval as per the Articles of Association of the Company.

The bonus issue of Equity Shares will be subject to the approval of Members and other approvals, consents, permissions, conditions and sanctions, as may be necessary. The fully-paid Bonus Shares shall be distributed to the Members whose names shall appear in the Register of Members of the Company in respect of shares held in the Physical form, if any and/ or whose names appear in the Register of Beneficial Owners as per the details to be furnished by the Depositories in respect of shares held in dematerialized form, as on the Record Date, in the ratio of (1) One Equity Shares of Rs. 10/- each for every (30) fully paid Equity Share of Rs. 10/- each held as on a Record date decided for this purpose and any fraction of an Equity shares arising out of bonus issue will be rounded off to the nearest 1.

Shareholding pattern before and after Bonus Issue would be as follows:

Sr. No.	Category	Pre Bonus Issue		Bonus Issue (1:30)*	Post Bonus Issue	
		No of shares held	% of share holding		No of shares held	% of share holding
1.	Promoters Holding	69,05,985	71.20	2,30,200	71,36,185	71.20
2.	Public	27,93,015	28.80	93,099	28,86,114	28.80
	Grand Total	96,99,000	100	323,299	1,00,22,299	100

* Fraction of an Equity Shares have been rounded off to the nearest 1.

The bonus shares, once allotted, shall rank pari-passu in all respects and carry the same rights as the existing Equity Shares and holders of the bonus shares shall be entitled to participate in full in any dividend and other corporate action, recommended and declared after the new Equity Shares are allotted.

None of the Director (s), Key Managerial Personnel or their relatives are directly or indirectly concerned or interested in the resolutions at Item no. 6 of the Notice except to the extent of their shareholding and shares which may be allotted to them as part of this bonus issue.

Accordingly, the Board of Directors of your Company recommend the Resolution set out in Item No. 6 of this Notice for the approval of the Members by way of passing a Special Resolution.

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

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

**DATE: OCTOBER 29, 2021
PLACE: MUMBAI**

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

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

Item 2: To appoint a Director in place of Mr. Ravindra Malinga Hegde (DIN: 01821002), who retires by rotation and being eligible, offers himself for re-appointment as a Director

Name of the Director	Ravindra Malinga Hegde
Date of Birth	01/05/1958
Date of First Appointment	January 27, 2006
Qualification & Expertise	He holds Bachelor’ of Science Degree (Chemistry) from University of Mumbai. He has attended training in Facility Management & Pest Management from USA and has also attended training from Indian Grain Institute, Hapur in Pest Entomology. He is a member of Indian Pest Control Association. He has also been awarded with Shri Rajiv Gandhi Shiromani award on August 22, 2010 for Entrepreneurial Achievement.
No. of Equity Share held in the Company as on 31st March, 2021	59,45,785 Shares
Relationship with Other Directors of the Company	Mrs. Sujata Ravindra Hegde , Director is Wife, Mr. Saurav Ravindra Hegde, Director is Son & Ms. Riddhi Hegde is daughter of Mr. Ravindra Hegde
Year of Experience	39 Years
Remuneration Last Drawn by such person, if any	21,00,000 P.A.
Terms and conditions of appointment/ re-appointment & Remuneration sought for	N.A.
Area of expertise in specific functional areas/ Brief resume of Director	He is entrusted with the responsibility of looking after the overall management and operations of our Company.
No. of Meeting of the Board attended during the year	N.A.
List of outside Directorship held in other companies	KHFM HR Consultancy Private Limited
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil

Item 3: To appoint Ms. Riddhi Ravindra Hegde as Director of the Company.

Name of the Director	Ms. Riddhi Ravindra Hegde
Date of Birth	08/03/1994
Date of First Appointment	March 24, 2021
Qualification & Expertise	Master of Health Administration, Bachelor of Dental Surgery (B.D.S), Healthcare professional with over 3.5 years of the healthcare industry and analytical experience with the ability to problem-solve and provide cost-effective and innovative solutions to complex business problems using data intelligence.
No. of Equity Share held in the Company as on 31st March, 2021	100 Shares
Relationship with Other Directors of the Company	Mr. Ravindra Malinga Hegde, Managing Director is a father, Mrs. Sujata Ravindra Hegde, Director is a Mother & Mr. Saurav Ravindra Hegde, Director is brother of Riddhi Ravindra Hegde
Year of Experience	3.5 Years
Remuneration Last Drawn by such person, if any	Nil
Terms and conditions of appointment/ re-appointment & Remuneration sought for	N.A.
Area of expertise in specific functional areas/ Brief resume of Director	Healthcare professional
No. of Meeting of the Board attended during the year	02
List of outside Directorship held in other companies	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil

Item 4: To appoint Mr. Girish Gobindram Ramnani as an independent director of the company

Name of the Director	Girish Gobindram Ramnani
Date of Birth	10/09/1973
Date of First Appointment	October 29, 2021
Qualification & Expertise	Mr. Girish G. Ramnani was enrolled as a member of the ICAI in 1998 and has more than 23 years of experience in almost every facet of the accounting profession. One of his passionate area of practice is conceptualizing, devising and implementation of processes related to Tax and Audits.
No. of Equity Share held in the Company as on 31st March, 2021	Nil
Relationship with Other Directors of the Company	Not related with any other Directors of the Company.
Year of Experience	23 Years
Remuneration Last Drawn by such person, if any	Nil
Terms and conditions of appointment/ re-appointment & Remuneration sought for	The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation
Area of expertise in specific functional areas/ Brief resume of Director	Practicing independently since 1998 with specialization in Audit & Assurance, Direct Taxes, Regulatory Compliances, Management Consultancy and Process Advisory Services.
No. of Meeting of the Board attended during the year	N.A.
List of outside Directorship held in other companies	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil

Item 5: To appoint Mr. Bharat Vithaldas Kanani as an independent director of the company.

Name of the Director	Bharat Vithaldas Kanani
Date of Birth	07/11/1967
Date of First Appointment	October 29, 2021
Qualification & Expertise	Chartered Accountant (CA) – May 1993 from The Institute of Chartered Accountants of India. Company Secretary (CS) – December 2016 from The Institute of Company secretaries of India.
No. of Equity Share held in the Company as on 31st March, 2021	Nil
Relationship with Other Directors of the Company	Not related with any other Directors of the Company.
Year of Experience	27 Years
Remuneration Last Drawn by such person, if any	Nil
Terms and conditions of appointment/ re-appointment & Remuneration sought for	The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation
Area of expertise in specific functional areas/ Brief resume of Director	Served as Director on the Board of GVFL's portfolio companies which include Saraf Foods Limited, Permionics India Limited, Colortek India Limited, 20 Microns Limited, E-Cube India Limited, Icenet.net Limited, Anupam Infosys Limited and Rapid Radio Solutions Pvt. Limited and Served on the Audit Committee of 20 Microns Limited, NeilSoft Limited and E-infochips Limited. He is the Member of Admission Panel for conducting Group Discussions and Personal Interview for Pandit Dindayal Petroleum University's MBA course 2010 and has also visited UK, Portugal, Germany, The Netherlands, Kuwait, Thailand and Dubai for business development activity. Taking lectures on Role of CA in Industry and as CEO/CFO with mid side organization as ICAI & CII forums.
No. of Meeting of the Board attended during the year	N.A.
List of outside Directorship held in other companies	Enertech Cera Private Limited, Enertech Distribution Management Private limited
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the **15th Annual Report** on the affairs of the Company together with the Audited Financial Statements for the financial year ended on **March 31, 2021**.

1. FINANCIAL HIGHLIGHTS/ PERFORMANCE OF THE COMPANY:

The Company's performance during the financial year ended **31st March, 2021** are summarized in the following table:

PARTICULARS	Financial Year 2020-21	Financial Year 2019-20
Turnover	114,98,31,047	1,15,24,89,456
Other Income	41,17,514	68,92,197
Profit Before Depreciation, Interest and Tax	7,71,23,896	9,56,11,485
Interest	5,10,28,978	4,30,49,407
Profit Before Depreciation and Tax	2,60,94,918	5,25,62,078
Depreciation and amortization expense	29,19,312	28,31,821
Profit Before Tax	2,31,75,606	3,05,14,999
Tax Expenses:		
Current Tax	58,48,981	90,96,814
Reversal of Provision of Income Tax	39,58,165	(32,71,206)
Deferred Tax	(1,92,56,077)	(87,282)
Profit / (Loss) for the Year	3,26,24,536	4,39,91,931

2. IMPACT OF COVID-19

Company has followed guidelines issued by the government and has taken all the steps to ensure safety of its worker and employees. Further, the company had strong business continuity plan during the pandemic and so there was continuity in the business and no break down was noticed during the year. The COVID-19 pandemic disrupted even the most well-managed workplaces and turned normalcy on its head. Since the pandemic took hold, facilities managers have battled back to explore new opportunities for remote work or socially distant workplaces.

Facility management plays an important role in dealing with COVID-19 to create a safe work environment. The impact of COVID-19 for facility managers also extends to facility policies. FMs face the tedious task of re-educating employees and visitors about how to interact with the workplace consisting of everyone and everything in it.

To survive this pandemic, company need to focus on customer care and concerns, stay connected to customers as per their channel choice, build agile capabilities for fluid times, and adapt to situation-based circumstances. Organizations would need to rethink their business and operating models.

Consumers' search for value for money is a fundamental change in purchase priorities and will be prevalent in the upcoming years.

3. COMPANY'S PERFORMANCE REVIEW:

Your Company's revenue from operations for the financial year ending 31st March, 2021 stood at Rs. 114,98,31,047/- as compared to Rs. 1,15,24,89,456/- during the previous financial year. The Company has achieved EBIDTA (including other income) of Rs. 7,71,23,896/- during the financial year 2021 as against that of EBIDTA of Rs. 9,56,11,485/- for the previous financial year 2020. The profit before tax for the financial year under review is Rs. 2,31,75,606/- as against Rs. 3,05,14,999/- for the previous financial year 2020. Profit after tax was positively impacted by the tax benefits availed under Section 80JJAA of the Income Tax Act, 1961 and deferred tax benefits.

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

4. DIVIDEND

Your Directors would like to use the profits earned for improving business and hence do not propose any dividend for the financial year under review.

5. UNPAID DIVIDEND & IEPF:

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

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

6. TRANSFER TO RESERVES

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

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

Mr. Ravi Vimal Nevatia, Independent Director of the Company, resigned from the board due to his pre-occupation elsewhere vide letter dated **July 30, 2021** The Board appreciated for the guidance provided by Mr. Ravi Vimal Nevatia during his tenure as an independent director on the board as Independent Director.

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

Due to the lockdown imposed by the Maharashtra state government, there were severe restrictions on the movement of people. However, we were able to place staff at customer locations. We expect the operations to slowly come to normalcy.

8. CHANGES IN NATURE OF THE BUSINESS, IF ANY

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

9. SHARE CAPITAL

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

As at March 31, 2021, the Authorized Share Capital of the Company is Rs. 12,00,00,000/- divided into 1,20,00,000/- equity shares of Rs. 10/- each.

Further, Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2021 is Rs. 9,69,90,000/- divided into 96,99,000/- equity shares of Rs. 10/- each.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

11. PUBLIC DEPOSITS

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

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

13. SUBSIDIARY COMPANY / ASSOCIATE COMPANY / JOINT VENTURE

As on 31st March, 2021, the Company does not have any subsidiary or joint venture and associate company.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. **The Directors and Key Managerial personnel of the Company as on 31st March, 2021 are as below:**

Sr. No.	Name	Designation	DIN/PAN
1.	Ravindra Malinga Hegde	Managing Director	0001821002
2.	Sujata Ravindra Hegde	Executive Director	0001829352
3.	Saurav Hegde	Executive Director	0008116567
4.	Riddhi Ravindra Hegde*	Additional Non-Executive Director	0009093643
5.	Ravi Vimal Nevatia*	Independent Director	0007200190
6.	Brahm Pal Singh	Independent Director	0008045923
7.	Naveen Alias Carvallo	Chief Financial Officer	AEPPC7684B
8.	Rahul Krishna Pathak	Company Secretary & Compliance Officer	FKCPP3683P

* Mr. Ravi Vimal Nevatia resigned from the board due to his pre-occupation elsewhere vide letter dated **July 30, 2021**.

* Ms. Riddhi Ravindra Hegde has been appointed as an Additional Director with effect from March 24, 2021.

ii. **During the Financial year 2020-21:**

Change in Board of Directors and KMP's:

- The Board of Directors at its meeting held on March 24, 2021, Appointed Ms. Riddhi Ravindra Hegde as Additional Non – Executive Director of the company.
- The Board of Directors at its meeting held on March 24, 2021, Changed the designation of Mr. Saurav Hegde as Executive Director from Non – Executive Director of the company.

iii. **Retire by Rotation**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the Office of Mr. Ravindra Malinga Hegde, (DIN: 01821002) Director liable to retire by rotation at this Annual General Meeting, and being eligible, he has offered herself for re-appointment. Accordingly the proposal for his re-appointment has been included in the Notice convening the Annual General Meeting of the Company.

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

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

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

the declaration regarding the status of holding other directorship and membership as provided under law. The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Board and Senior Management as per Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors affirmed that none of them were aware of any circumstance or situation which could impair their ability to discharge their duties in an independent manner.

v. Disqualification of Directors:

During the financial year 2020-2021 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

15. COMMITTEES OF THE BOARD

As on March 31, 2021, the Board has constituted various committees in accordance with the provisions of the Companies Act, 2013, the details of which are given as under:

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

i. Audit Committee:

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

The composition of the Audit committee as follows: -

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

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

During the Financial Year 2020-21, the Audit Committee of the Board of Directors met Four times viz 23.07.2020, 07.09.2020, 05.01.2021 and 24.03.2021.

* The composition of Audit committee has been re-constituted in the board meeting held on October 29, 2021.

ii. Nomination & Remuneration Committee

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013. Nomination & Remuneration committee was re-constituted on 24th March, 2021 after change in designation of Mr. Saurav Hegde.

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

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

Name of the Director/Member	Designation	Nature of Directorship
Mr. Brahm Pal Singh	Chairman	Independent & Non - Executive Director
Mr. Saurav Hegde	Member	Executive Director
Ms. Riddhi Ravindra Hegde	Member	Non- Executive Director

During the Financial Year 2020-21, the Nomination and Remuneration Committee of the Board of Directors met Four times viz 23.07.2020, 07.09.2020, 05.01.2021 and 24.03.2021.

* The composition of Nomination and Remuneration Committee has been re-constituted in the board meeting held on October 29, 2021.

iii. Stakeholders Relationship Committee

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

The Stakeholders relationship committee was re-constituted on 24th March, 2021 after change in designation of Mr. Saurav Hegde.

The composition of the Stakeholders Relationship Committee is as under:

Name of the Director/Member	Designation	Nature of Directorship
Mr. Brahm Pal Singh	Chairman	Independent & Non - Executive Director
Mr. Sujata Ravindra Hegde	Member	Executive Director
Ms. Riddhi Ravindra Hegde	Member	Non- Executive Director

During the Financial Year 2020-21, the Stakeholders Relationship Committee of the Board of Directors met Two times viz 07.09.2020 and 05.01.2021.

* The composition of stakeholders' relationship committee has been re-constituted in the board meeting held on October 29, 2021.

16. BOARD MEETINGS HELD DURING THE YEAR

During the year under review, five meetings of the board were held in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on Board Meeting.

The details are as follows:

23 rd July, 2020	07 th September, 2020	05 th January, 2021	24 th March, 2021
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Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 11/2020 dated March 24, 2020 read with General Circular No. 08/2021 dated

May 03, 2021, requirements of Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, for the interval between the two meetings has been extended by 60 more days.

Sr. No.	Name of the Director	No. of Board Meetings	
		Held	Attended
1.	Ravindra Malinga Hegde	4	4
2.	Sujata Ravindra Hegde	4	4
3.	Saurav Hegde	4	4
4.	Riddhi Ravindra Hegde*	4	0
5.	Ravi Vimal Nevatia	4	4
6.	Brahm Pal Singh	4	4

*Ms. Riddhi Ravindra Hegde has been appointed as an Additional Director with effect from March 24, 2021.

17. FORMAL ANNUAL EVALUATION

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

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

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

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

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

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- The accounting policies selected have been applied consistently, and judgements and estimates are made that are reasonable and prudent, so as to give a true and fair view of the

state of affairs of your Company as at 31st March 2021 and of the profit of your Company for the year ended on that date;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of your Company, and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Your company has laid down proper internal financial controls and that such internal financial controls are adequate and were operating effectively;
- f) Your Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021 is given below:

A. CONSERVATION OF ENERGY:

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

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

- **The Steps taken by Company for utilizing alternate source of energy: Nil**
- **The capital investment on energy conservation equipment's: Nil**

B. TECHNOLOGY ABSORPTION:

- **The efforts made towards technology absorption: Nil**
- **The benefits derived like product improvement, cost reduction, product development or import substitution: Nil**
- **In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**

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

20. EXTRACT OF THE ANNUAL RETURN

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

The Annual return will be placed on the weblink of the company viz., <https://www.khfm.in/>.

21. CORPORATE GOVERNANCE

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

22. COMPLIANCES OF SECRETARIAL STANDARDS

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

23. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

24. PARTICULARS OF EMPLOYEES

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

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

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

25. MANAGEMENT DISCUSSION AND ANALYSIS

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

26. AUDITORS

(a) Statutory Auditor

Pursuant to the provisions of section 139(1) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Bhushan Khot & Co., Chartered Accountants (Firm Registration Number: 116888W) have been appointed as Statutory

Auditor of the Company for a period of five consecutive years, till the conclusion of the 17th Annual General Meeting of the Company, to be held in the year 2023.

Pursuant to the provisions of section 139(1) of the Companies Act, 2013, as amended with effect from May 07, 2018, ratification of the appointment of the statutory auditors, by the Members at every Annual General Meeting during the period of their appointment, 2020-21 has been withdrawn from section 139(1) of the Companies Act, 2013 with effect from that date. In view of the above, no resolution is proposed for ratification of appointment of the Statutory Auditor at the Annual General Meeting, and a note in respect of the same has been included in the Notice of the Annual General Meeting.

(b) Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has re-appointed M/s. Mishra & Associates, Practicing Company Secretaries of Mumbai, to conduct the secretarial audit for FY 2021-22. The Secretarial Audit Report, issued by M/s. Mishra & Associates, Company Secretaries for the FY 2020-21, is set out in **Annexure IV** to this Report.

The responses of your Directors on the observations made by the Secretarial Auditor are as follows:-

Response to Point No. 1

Due to outbreak of the COVID-19 and the subsequent lockdown imposed by the Central Government hampering businesses and the day-to-day functioning of the Companies, caused the delay in appointing a Qualified Company Secretary as the Compliance Officer of the Company, as required by Regulation 6(1) of Listing Regulations. The Board of Directors of the Company which continues to make efforts to find a suitable candidate for the said appointment but was not able to complete such appointment ahead of the due date, and after making efforts, Company appointed Mr. Rahul Krishna Pathak as Company Secretary and Compliance Officer w.e.f. 01st December, 2020 at the Board Meeting held on 05th January, 2021.

Response to Point No. 2

The Company is law abiding entity, and is endeavor to comply with the laws applicable in time. However, there has been delay of 1 day in giving intimation to the stock exchange about the board meeting.

Response to Point No. 3

Due to outbreak of the COVID-19 and the subsequent lockdown imposed by the Central Government hampering businesses and the day-to-day functioning of the Companies, caused the delay in submitting the half yearly Financial Result for half year ended 30th September, 2020, as required by Regulation 33 of Listing Regulations. The Board of directors of the company caught up in ensuring the smooth operations of the Company and the company faced issues in gathering the data from the stakeholders and the connected parties due to the pandemic.

Response to Point No. 4

Due to outbreak of the COVID-19, The Facility management sector was facing the heat of liquidity crunch and the Company was also going through this challenging time. The cash flows of the Company had been adversely impacted and that has resulted in delay in depositing the amount of Dividend in a Separate Bank Account within Five days from the Date of Declaration of Dividend.

(c) Internal Auditor

Pursuant to the provisions of section 138(1) of the Companies Act, 2013, as amended from time to time, M/s G.R. Shetty & Company & Co., Chartered Accountants (Firm Registration Number: 110093W) was appointed as internal Auditor of the Company for the financial year 2020-21. The Board of Directors has re-appointed him as Internal Auditor of the Company for the financial year 2021-22.

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

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

28. VIGIL MECHANISM

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

29. REPORTING OF FRAUD BY AUDITORS

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

30. CODE OF CONDUCT

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

31. PREVENTION OF INSIDER TRADING

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

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

32. MEANS OF COMMUNICATION

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

33. PREVENTION OF SEXUAL HARRASMENT OF WOMEN AT WORKPLACE

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

During the Financial Year 2020-21, the company has received no complaints on sexual harassment.

34. HUMAN RESOURCE

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

35. WEBSITE

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

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

A policy known as “Appointment criteria for Directors & Senior Management and their Remuneration Policy” approved by the Nomination and Remuneration Committee and Board is followed by the Company on remuneration of Directors and Senior Management employees as required under Section

178(3) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Policy aims at attracting and retaining high caliber personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhanced organizational performance.

37. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 and rules made thereunder are not applicable to the Company during the Financial Year 2020-21.

38. ACKNOWLEDGEMENT

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

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

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

**Ravindra Malinga Hegde
Managing Director
DIN: 01821002**

**Sujata Ravindra Hegde
Director
DIN: 01829352**

**Date: October 29, 2021
Place: Mumbai**

ANNEXURE TO THE BOARD REPORT
ANNEXURE I

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

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

(a) Name(s) of the related party and nature of relationship		
Sr. No.	Related Party	Relationship
	NIL	
(b) Nature of contracts/arrangements/transactions		
Sr. No.	Particulars	Amount
	NIL	
(c) Duration of contracts/arrangements/transactions		

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

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

(a) Name(s) of the related party and nature of relationship		
Sr. No.	Related Party	Relationship
1.	Mr. Ravindra Malinga Hegde	Managing Director
2.	Mrs. Sujata Ravindra Hegde	Director
(b) Nature of Contracts/Arrangements/Transactions		
Sr. No.	Particulars	Amount
1.	Remuneration to Mr. Ravindra Malinga Hegde	21,00,000
2.	Remuneration to Mrs. Sujata Ravindra Hegde	16,80,000
3.	Remuneration to Mrs. Saurav Ravindra Hegde	1,80,000
4.	Rent paid to Mr. Ravindra Malinga Hegde	10,16,400
(c) Duration of contracts/arrangements/transactions		

Sr. No.	Contracts/Arrangements/Transactions	From	To
1.	Transactions	01/04/2020	31/03/2021
(d) Salient terms of the contracts or arrangements or transactions including the value, if any			

All the Transactions are entered in the Ordinary Course of Business
e) Justification for entering into such contracts or arrangements or transactions
Not Applicable
(f) date(s) of approval by the Board: 07 th October, 2021
(g) Amount paid as advances, if any: NA

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

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

**DATE: OCTOBER 29, 2021
PLACE: MUMBAI**

ANNEXURE – II

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

- a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ending March 31, 2021 and
- b) The Percentage Increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year ending on March 31, 2021.

Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in FY 2020-21
Mr. Ravindra Malinga Hegde	Managing Director	12.76:1	Nil
Mrs. Sujata Ravindra Hegde	Executive Director	10.21:1	Nil
Mr. Saurav Hegde	Executive Director	1.09:1	Nil
Mr. Ravi Vimal Nevatia	Non-Executive and Independent Director	Being Non-Executive Independent Directors, only sitting fees was paid and thus ratio is not given.	
Mr. Brahm Pal Singh	Non-Executive and Independent Director		
Ms. Riddhi Hegde*	Non-Executive Director	-	Nil
Mr. Naveen Alias Carvallo	CFO	4.38:1	Nil
Mr. Rahul Pathak	Company Secretary	0.73:1	Nil

Notes:

- The percentage increase in the median remuneration of employees in the financial year 2020-21 is 7.5 to 15%.
- The Total number of employees on the rolls of the Company in the financial year 2020-21 is 3214.
 - Total Number of Employee on the roll of the Company as at March 31, 2021: 287
 - Total Number of Employee on the roll of the Contractors as at March 31, 2021: 2926
- It is hereby affirmed that that the remuneration paid is as per the remuneration policy of the Company.
- Ms. Riddhi Hegde, has been appointed as Additional Non-executive Director of the Company w.e.f. from 24th March, 2021
- Ms. Rahul Pathak, has been appointed as Company Secretary of the Company w.e.f. from 01st December, 2021.

ANNEXURE - III MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

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

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

1. ECONOMIC ENVIRONMENT - AN OVERVIEW

Global Economy

The global economy was deeply impacted by the COVID-19 pandemic during FY 2020-21. The manufacturing and services sectors bore the brunt of extended lockdowns. Working from home became the new normal across the world. The pandemic's impact still continues, although at a lesser degree, due to the breakout of second and third waves. The long shadow cast by the pandemic continues to put constraints on economic activity.

INDIAN ECONOMY

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. The market is dominated by unorganized players. The report pointed out that various factors such as boom in real estate, increasing awareness levels, growth in retail and hospitality sectors are the major drivers of this sector. "In light of the immense growth potential that the sector promises, many players, including foreign players, have dotted the Indian market... India's service sector is the fastest growing part of its economy," the study said. As per the report, the overall services sector held 33.3 per cent of GDP (at current prices) in 1950-51 and it grew to 64.8 per cent in 2012-13. Commenting on the findings, GIFPMA President Amit Raul said: "Companies are increasingly concerned about the skills of the manpower provided by them with changing needs of the customer... It was also found that the qualification and the minimum salary of the manpower vary with the type of service to be offered."

FACILITY MANAGEMENT

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

Facility management services refers to the use of third-party service providers for the maintenance of the building facility or outsourcing the management of entire facilities to an organization for the professional delivery of services. It comprises of hard services or building operation and maintenance and soft services or support services, and energy management services. Hard services include electrical, electromechanical, mechanical, water management and energy management. Soft services include housekeeping, security, catering, transportation, and horticulture and landscaping. It is gaining huge acceptance among the customers in Commercial sector as it helps the companies in the hassle-free management of its facilities in a professional manner.

2. OPPORTUNITY & THREATS

- **Opportunity:**

The Make in India and Atmanirbhar Bharat Abhiyan missions launched by the government are expected to provide ample growth opportunities to KHFM. The Occupational Safety, Health and Working Conditions Code, 2019, is expected to encourage business organizations to hire Facility Management Services, for both short-term and long-term needs. The growing popularity of gated communities ensures sustained demand for integrated facility management services. All these positive developments are expected to maximise our opportunities in both existing and new markets.

The outlook of FM services in India is shaping up to be highly optimistic mainly due to the growing maturity of end users and the need for improved safety, comfort and professional maintenance of assets. Presence of Global and Indian MNCs across various end-user sectors is mainly driving the market for FM services in India as they are the potential customers due to their increased awareness levels, exposure to facilities and willingness to invest. The IT sectors are more concerned about personalized and specialized services utilizing both hard and soft services due to the recent boom and increase in investments in the Indian IT/ITeS/BPO and finance/banking sectors. Increase in investments from emerging sectors such as

health-care, retail and infrastructure sector are expected to further push this market to a higher growth curve in the life cycle.

- **Threats:**

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

3. SEGMENT - WISE OR PRODUCT- WISE PERFORMANCE

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

4. OUTLOOK

While reducing cost has traditionally been a dominating driver in the market development, in recent years the decision to outsource has moved beyond core versus non-core and cost reduction parameters. The outsourcing decision is being combined with adding value to customers and thereby supporting them in fulfilling their objectives. The value added requirements in this regard among others relate to improving the satisfaction levels of customers' employees and/or users and complying with human resources and health, safety and environment standards. By doing this the provider can ensure the customers a creditable risk transfer. In brief, adding value requires developing knowledge and competencies specifically addressing customers' needs. It is anticipated that as the market becomes more mature that understanding of specific customer verticals needs and therefore requirements for specific value added skills become important for the choice of service supplier. This trend may also mean that provision of facility services contracts progressively move from being input (hours delivered) to output (service level delivered) based contracts as customers' concern over these value added parameters become increasingly important. As a service supplier it hence becomes a business requirement to demonstrate commitment and verified company policies and show that a management system is in place that implements risk management in their activities complies with applicable legislation and strives for continuous improvement and compliance with human resources and health, safety and environment standards.

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

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

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

evolve in the future would largely dictate the time required for the economic growth to regain normalcy.

5. RISK AND CONCERN

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

6. INTERNAL CONTROL SYSTEM

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

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

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the period under review the total turnover of the Company Rs. 114,98,31,047 as compared to previous year Rs. 1,15,24,89,456/-. The Profit before tax of the Company is Rs. 2,31,75,606/- as compared to previous year Rs. 3,05,14,999/- and Profit After Tax of the company stood at Rs. 3,26,24,536/- as compared to previous year Rs. 4,39,91,931/-.

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

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. The Company aims to develop the potential of every individual

associated with the Company as a part of its business goals. The Company focuses on providing individual development and growth in a work culture that ensures high performance and remains empowering. The Company has employed over 2500 people (including contractual) strong and dedicated workforce travel abreast of the latest trends.

Key Financial ratios

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

PARTICULARS	STANDALONE		
	F.Y. 21	F.Y. 20	Variation
Debtors Turnover ratio	3.34	3.02	10.61%
DEBT/EBIDTA ¹	7.30	4.62	58.07%
Interest Coverage ratio ²	1.48	2.23	-33.98%
Current Ratio	1.50	1.28	17.62%
Debt-Equity Ratio	1.47	1.31	12.65%
Operating Profit Margin ³	17%	13%	25.39%
Net Profit Margin(before tax) ⁴	2.11%	4.61%	-54.25%
Return on Net worth ⁵	0.087	0.13	-33.74%

Details of significant changes (Change of 25% or more as compared to the immediately previous year) for the above specified financial ratio are as follows;

1. The company has taken new loans to maintain working capital requirements and for growth of the company. This has resulted in increase in the ratio.
2. Due to the increase in Debt of the company which resulted in increase of interest portion and our profit have also fallen down as compared to previous year. This has resulted in decrease in the ratio.
3. We have managed to lower our direct costs for the year, which have resulted in increase in our operating profit.
4. In current year, Due to creation of provision for doubtful debt resulted in increase in deferred taxes. Due to increase in deferred tax, our Net profit for the year fallen down and This has resulted in decrease in the ratio.
5. During the year due to creation of provisions, companies Net income has reduced. Which has resulted in decrease in Return on Net worth.

ANNEXURE – IV

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on **March 31, 2021** according to the provisions of:

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

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (Regulations relating to Overseas Direct Investment and External Commercial Borrowings): **Not applicable to the Company for the audit period as there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings by the Company;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and amendments from time to time; **Not applicable to the Company as the Company has not issued any further share capital during the audit period**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not granted/issued any benefits/shares to employees during the period under review;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not applicable to the Company as the Company has not issued any Debt Securities during the audit period;**
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable as there was no reportable event during the period under review;**
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable as there was no reportable event during the period under review;**
 - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

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

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

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

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

Sr. No.	Relevant Provision for Compliance Requirement	Observation
1.	Regulation 6(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 203 of the Companies Act, 2013	<p>The Company did not have Company Secretary and Compliance Officer from 17th March, 2021 till 30th November, 2021. The Appointment of Company Secretary and Compliance Officer were made w.e.f. 1st December, 2021.</p> <p>Company has made request for wavier of fine for the aforesaid non-compliance. However the said request has been rejected by the Exchange and imposed a fine of Rs. 75,000/- (Rupees Seventy Five Thousand Only). Company has paid the said fine to the Exchange.</p>
2.	Regulation 29 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	<p>The Company has given intimation of Board Meeting to be held on 5th January, 2021 for Approval of Unaudited Financials for the Half Year ended 30th September, 2020 on 31st December, 2020.</p> <p>Exchange has imposed fine of Rs. 10,000/- (Rupees Ten Thousand Only). Company has paid the said fine to the Exchange.</p>
3.	Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	<p>The Company has submitted unaudited financial results for the half year ended on September 30, 2020 to the Exchange 5th January, 2021.</p> <p>Exchange has imposed fine of Rs. 1,45,000/- (Rupees One Lakh Forty Five Thousand Only). Company has paid the said fine to the Exchange.</p>
4.	Section 123 (4) of Companies Act, 2013	Company has failed to deposit the amount of Dividend in a Separate Bank Account within Five days from the Date of Declaration of Dividend

**Company has not submitted the Audited Financials for the Financial Year ended 31st March, 2021 to the Exchange within the time limit as prescribed under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

We further report that,

1. The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and women director. The change

in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act.

2. We further report that adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions of the Board and Committees thereof were carried out with the requisite majority;

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

For **Mishra & Associates**
Company Secretaries

Manishkumar Premnath Mishra

Proprietor

Membership No. 41066

C. P. No. 18303

FRN: S2017MH516400

UDIN: A041066C001317671

Date: 29.10.2021

Place: Mumbai

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

Annexure 'AA'

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

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

1. MANAGEMENT'S RESPONSIBILITY

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

2. AUDITOR'S RESPONSIBILITY

- (a) Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- (b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe, the processes and practices that we followed provide a reasonable basis for our opinion. We also believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- (c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (d) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.
- (e) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

3. DISCLAIMER

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

For **Mishra & Associates**
Company Secretaries

Manishkumar Premnath Mishra
Proprietor
Membership No. 41066
C. P. No. 18303
FRN: S2017MH516400
UDIN: A041066C001317671

Date: 29.10.2021
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To

The Members

KHFM Hospitality & Facility Management Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of KHFM Hospitality & Facility Management Services Ltd (“the Company”), which comprises of the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to Note 14 to the Ind AS financial statements, relating to Non-Current Liabilities as on 31st March 2021, the Company has opted for Moratorium benefit offered by bankers due to COVID-19 pandemic allowing deferment of repayment of principal / interest as per bank’s policy. However, Management of the company informed us that few revised repayment schedules considering the moratorium availed on the unsecured loans for calculation of effective rate of interest is not yet made available from the Banks / NBFC to the company to assess and quantify effect of interest on loans recognized in the financial statements and hence the impact of moratorium and rescheduling of liabilities has not been considered in this financial statement.

Our opinion is not modified in respect of this matter.

2. We draw attention to Note 23 and 26 to the Ind As financial statements, relating to Site Expenses, Advance for Site Expenses, Employee Benefit Expenses (including transactions related to provident fund, ESIC, profession tax & gratuity) for the year ended on 31st March 2021. We perceived that the system of recording site expenses needs advancement to ensure terminality, transaction trail and related documentary evidences. Accordingly, we are impuissant to assess and quantify effect of aforesaid transaction on the financial statements. However, according to management estimates, the site expenses and related transactions are fairly stated in the financial statement and there are no material deficiencies.

Our opinion is not modified in respect of this matter.

3. Refer Note No. 39 of Ind As Financial Statements, the Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables (including micro and small enterprises and including capital creditors) and loans and advances are pending. The management is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.

Our Opinion is not modified in respect of aforesaid matter.

4. As more fully described in Note 2. II to the Ind As financial statements, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our Opinion is not modified in respect of aforesaid matter.

5. The Company is exposed to various laws and regulations. In this regulatory environment, there is an inherent risk of litigations and claims. Consequently, provisions and contingent liabilities disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government / department proceedings, as well as investigations by authorities. As at March 31, 2021, the Company's has ascertained contain-gent liabilities of Rs. 2754.84 Lakhs and also has unascertained liabilities (refer note 30 to the Ind AS financial statements. Management applies significant judgement in estimating the likelihood of the future outcome in each case when consider-whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially over time as new facts emerge and each legal case progress. In Our Audit approach we found that recording of the outstanding litigations against the Company for consistency with the previous years, Enquire and obtain explanations for movement during the year, is inadequate and needs improvement for those matters where management concluded that no provisions should be recognized, considering the adequacy and completeness of the Company's disclosures.

Our opinion is not modified in respect of this matter.

6. Refer Note No 11 of Ind As Financial Statements. Contract assets as on 31st March, 2021 of Rs 37.01 Cr. The amount represents value of work completed but are pending to be billed on completion of billing milestone. In the opinion of the management contract assets are fairly stated in the financial statements and the same will be billed/invoiced on completion of event/reaching billing milestone. Contract assets are classified under other current assets as in the opinion of the management the same will be billed/invoiced within the normal operating cycle of the company.

Our opinion is not modified in respect of this matter.

7. Refer Note No 8 of Ind As Financial Statements Non-Current Trade receivables of Rs. 20.40 Crores, outstanding as at 31st March, 2021 (Rs. 20.91 Crores, outstanding as at 31st March 2020) which represents various claims raised on the clients based on the terms and conditions implicit in the Hospitality & Manpower Supply Contracts in respect of closed/suspended work sites. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, and other factors for which company is at various stages of negotiation/ discussion with the clients or under litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ litigations, the management considers these receivables are recoverable. However, against which provision of Rs 6.80 Crores has been made in the books as at 31st March ,2021. Accordingly, related trade receivables along with the provision as at 31st March, 2020 are re-classified under Non-Current Assets by the Management of the company to make the figures comparable with the current period

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

The key audit matters	How our audit addressed the key audit matter
Revenue recognition	
Revenue recognition was identified as key Audit Matter since- <ul style="list-style-type: none"> • There is an inherent risk around the accuracy and existing of revenues recognized considering the customized and complex nature of these contracts. • Application of Revenue Recognition accounting standard (Ind As 115 – Revenue from contracts 	Our Audit Procedures on revenue recognized from fixed price contracts included: <ul style="list-style-type: none"> • Obtained an understanding of the systems, process and controls implemented by the management for recording and computing revenue and the associated contract assets. • On selected specific/statistical samples of

with customers) is complex and involves a number of key judgements and estimates in mainly identifying performance obligations, related transaction price and estimating the future cost to completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation.

- Due to large variety and complexity of contractual terms, significant judgements are required to estimate the amounts. If the actual amount differs from the amount estimated, this will have an impact on the accuracy of the revenue recognized in the current period.
- These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made.

contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard.

- We selected a sample of continuing and new contracts and performed the following procedures:
 - We read the agreements with the customers to identify the distinct performance obligations, the transaction price and its allocation to the performance obligations in the contract and the classification of the contract for the basis of revenue recognition in accordance with Ind As 115.
 - For Fixed maintenance contracts, we verified the period of the contract with the customer agreements and the determination of the revenue. We verified if the revenue was recognized appropriately over the period of contract of services being rendered and whether the revenue recognized was based on the estimate of the amount of consideration to which the Company is entitled in exchange for transferring the services.
 - For Fixed price contracts, we have verified the measurement of revenue for the extent of delivery of performance obligations with the actual and estimated cost of efforts as per the projected budgets.
- Evaluated the identification of performance obligations and the prescribed transaction.
- Tested the management’s computation of the estimation of contract costs and onerous obligations, if any.
- We performed analytical procedures as applicable for reasonableness of revenues disclosed and service offerings.
- We:
 - Assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management

	<p>personnel;</p> <ul style="list-style-type: none"> ➤ Performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and verified whether those variations are required to be considered in estimating the remaining costs to complete the contract; and ➤ Inspected underlying documents and performed analytics to determine reasonableness of contract costs.
<p>Allowance for doubtful debts/ Provision for Expected Credit Loss</p>	
<p>Allowance for doubtful debts was identified as key Audit Matter since-</p> <ul style="list-style-type: none"> • Receivables comprise a significant portion of the liquid assets of the Company. • There is an inherent risk around the accuracy of company’s trade receivables being fairly valued and adequately provided against where doubt exists. • There is a risk of debtors being misstated and disclosures related to the same in the financial statements. • 55.46 % of the trade receivables are past due for more than 6 months but not impaired. • Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter. 	<ul style="list-style-type: none"> • We assessed the validity of material long outstanding receivables by considering, past payment history and unusual patterns to identify potentially impaired balances. • The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures including: <ul style="list-style-type: none"> ➤ Verifying the appropriateness and reasonableness of the assumptions applied in the management’s assessment of the receivables allowance. ➤ To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.

Information other than Financial Statements and Auditor’s Report thereon

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report but does not include the standalone financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this Auditor’s Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, If, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, of the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance. Under Section 143(3)(i) of the Act, we are also responsible for

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

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

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

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

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

Other Matters:

Due to the COVID-19 related restrictions imposed by the state government, we were unable to physically observe the verification of inventory that was carried out by the management of the company. Consequently, we have performed alternate audit procedures to obtain comfort over the existence of inventory at year end, as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items", and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this statement.

Our Opinion is not modified in respect of aforesaid matter.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and

AUDITED FINANCIAL STATEMENTS



any director is not in excess of the limit laid down under Section 197 of the Act.
The Ministry of Corporate Affairs has not prescribed other details under Section 197(16)
which are required to be commented upon by us.

For Bhushan Khot & Co.

Chartered Accountants

(Firm's Registration No.116888W)

Sd/-

Bhushan Khot

(Partner)

Membership No. 101858

UDIN : **21101858AAAAFO5644**

Place: Mumbai

Date: 07th October 2021

Annexure A to the Independent Auditor's Report

With reference to the Annexure A reference to in the Independent Auditor's Report of even date to the members of the Company on the Ind As financial statements for the year ended 31st March 2021, we report the following:

1. (a) The Company has maintained fixed assets register and recorded any additions or disposal of fixed assets in the books of accounts on the basis of purchase or sales invoices only.

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

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

tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues have generally been deposited but not accurately during the year by the Company with the appropriate authorities.

(b) According to the information and explanation given to us, it is not feasible for us to comment on timely payment in respect of Provident fund, Employee State Insurance, Income tax, Goods and Service tax, Profession Tax, Cess and other material statutory dues were in arrears as at 31 March 2021 belongs to a period for more than Six months from the date they become payable.

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

Name of the Statute	Nature of the Dues	Amount (in Lakh)	Amount paid under protest (in lakhs)	Period	Forum where dispute is pending
The Financial Act,1994	Service Tax	625.79	44.65	2007-2008, to 2014-15	Customs, Excise and Service Tax Appellate Tribunal.
The Financial Act,1994	Service Tax	763.61	57.27	April 2015- March 2016	Customs, Excise and Service Tax Appellate Tribunal.

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayments of loans or borrowings to financial institutions, banks, government and the Company has not issued any debentures.
9. In our opinion and according to the information and explanations given to us, the Company did not raise moneys by initial public offer or further public offer(including debt instruments). In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. To the best of our knowledge and according to the information and explanation given to us and based on examination of the record of the Company, the Company has paid / provided managerial

remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Scheduled V to the Act.

12. According to the information and explanation given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
13. According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transaction have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
15. According to the information and explanation given to us and based on our examination of the record of the Company, the Company has not entered into any non-cash transaction with its directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
16. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Bhushan Khot & Co.
Chartered Accountants
FRN 116888 W

Sd/-
CA Bhushan Khot
Partner
Mem. No. 101858
UDIN : 21101858AAAAFO5644
Place: Mumbai
Date: 07th October 2021

“ANNEXURE B” TO INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of KHFM Hospitality and Facility Management Services Ltd as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to Ind As financial statements except for the inept recording of site expenses/site advances, exiguous payroll reconciliation/ employee benefit expenses, duff credit and collection policy for trade receivables and pending external balance confirmation were operating effectively as at 31st March 2021, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bhushan Khot
(Partner)
Membership No. 101858
UDIN: **21101858AAAAFO5644**

Place: Mumbai
Date: 07th October 2021

AUDITED FINANCIAL STATEMENTS



M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
A ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	1,37,55,082	1,17,11,990
(b) Right- of - Use Assets		-	-
(c) Capital Work in Progress		-	-
(d) Investment properties	3(a)	62,02,863	65,20,407
(e) Goodwill		-	-
(f) Other Intangible Assets	3	51,576	1,40,000
(g) Intangible Assets Under Development		-	-
(h) Biological assets other than Bearer plants		-	-
(i) Financial Assets			
(i) Investments	4	5,00,000	5,00,000
(ii) Trade Receivables	8	13,60,07,668	20,41,04,542
(iii) Other Financial Assets	5	10,58,16,856	8,60,01,431
(j) Deferred Tax Assets (Net)	6	2,17,06,074	31,81,804
(k) Other Non-Current Assets		-	-
SUB-TOTAL		28,40,40,119	31,21,60,174
Current Assets			
(a) Inventories	7	27,75,441	92,97,511
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	8	20,77,43,068	15,70,00,885
(iii) Cash and Cash Equivalents	9	5,21,50,181	7,18,03,688
(iv) Bank Balances other than (ii) above		-	-
(v) Other Financial Assets		-	-
(c) Current Tax Assets (Net)	10	1,90,54,058	1,19,34,462
(d) Other Current Assets	11	37,89,79,792	24,95,27,821
SUB-TOTAL		66,07,02,540	49,95,64,366
Non Current Assets Classified as Held for sale		-	-
Total Assets		94,47,42,659	81,17,24,540
B EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	9,69,90,000	9,69,90,000
(b) Other Equity	13	28,51,19,842	25,48,42,618
		38,21,09,842	35,18,32,618
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	12,08,83,247	6,86,89,602
(ii) Other Financial Liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities	15	18,64,805	-
		12,27,48,052	6,86,89,602
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	18,06,49,270	19,68,03,689
(ii) Trade Payables	17	5,31,00,519	5,94,74,479
(iii) Other Financial Liabilities	18	9,81,65,416	6,44,08,936
(c) Provisions	19	7,10,18,678	4,06,35,546
(b) Other Current Liabilities	20	3,69,50,882	2,98,79,670
		43,98,84,765	39,12,02,320
Total Equity and Liabilities		94,47,42,659	81,17,24,540

The accompanying notes (1 to 47) 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 : 21101858AAAAFO5644
Place: Mumbai
Date: 07th October 2021

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 Carvallo
Chief Financial Officer

Sd/-
Rahul Pathak
Company Secretary

AUDITED FINANCIAL STATEMENTS



**M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
(CIN - L74930MH2006PLC159290)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I Revenue from Operations	21	1,14,98,31,047	1,15,24,89,456
II Other Income	22	41,17,514	68,92,197
III Total Revenue (I+II)		1,15,39,48,561	1,15,93,81,653
IV EXPENSES			
Employee Benefits Expense	23	58,41,34,839	58,12,94,070
Finance Costs	24	5,10,28,978	4,30,49,407
Depreciation and Amortization Expense	25	29,19,312	28,31,821
Other Expenses *	26	49,26,89,826	47,84,41,458
Total Expenses (IV)		1,13,07,72,955	1,10,56,16,756
V Profit/(Loss) before exceptional items and tax (III- IV)		2,31,75,606	5,37,64,897
VI Exceptional Items			-
VII Profit/(Loss) before Tax (V-VI)		2,31,75,606	5,37,64,897
VIII Tax Expense:	27		
(1) Current Tax		58,48,981	1,02,19,251
(2) Reversal of Provision of Income Tax		39,58,165	(32,71,206)
(3) Deferred Tax		(1,92,56,077)	(87,282)
Total Tax Expense		(94,48,930)	68,60,763
IX Profit (Loss) for the period (VII-VIII)		3,26,24,536	4,69,04,134
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		(10,81,444)	6,18,337
(2) Income tax relating to items that will not be reclassified to Statement of Profit & Loss		2,72,199	(1,72,021)
(3) Items that will be reclassified subsequently to Statement of Profit & Loss			
XI Total Comprehensive Income for the period (IX+X)		3,34,33,781	4,64,57,818
XII Earnings per Equity Share	28		
(1) Basic		3.36	4.88
(2) Diluted		3.36	4.88

* 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 : 21101858AAAAFO5644
Place: Mumbai
Date: 07th October 2021

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

AUDITED FINANCIAL STATEMENTS



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

A Equity Share Capital

All Amount in INR

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

Balance at March 31, 2020	Fresh issue/allotment during the year	Balance at March 31, 2021
9,69,90,000	-	9,69,90,000

B Other Equity

All Amount in INR

Particulars	Reserve and Surplus			Items of other comprehensive income	Total Equity
	Securities Premium	Retained Earnings	Share Issue expenses	Remeasurements of defined benefit Plans	
Opening Balance as at 1st April, 2019	-	14,25,95,388	(61,08,098)	6,42,796	13,71,30,086
Adjustment of prior period errors	-	22,70,314	-	-	22,70,314
Restated Opening balance as at 1st April, 2019	-	14,48,65,702	(61,08,098)	6,42,796	13,94,00,400
Profit/(Loss) for the year	-	4,69,04,134	-	-	4,69,04,134
Less: Bonus Issue	-	-	-	-	-
Other Comprehensive income/(losses)	-	-	-	(4,46,316)	(4,46,316)
Total Comprehensive Income for the year	-	4,69,04,134	-	(4,46,316)	4,64,57,818
Dividend (including tax)	-	(58,46,329)	-	-	(58,46,329)
Issue of shares	7,66,74,000	-	(41,19,532)	-	7,25,54,468
Transfer from share issue expenses to securities premium	(79,51,369)	-	1,02,27,630	-	22,76,261
IPO/Share issue expenses	-	-	-	-	-
Closing Balance as at 31st March, 2020	6,87,22,631	18,59,23,507	-	1,96,480	25,48,42,618
Adjustment of prior period errors	-	-	-	-	-
Restated Opening balance as at 1st April, 2020	6,87,22,631	18,59,23,507	-	1,96,480	25,48,42,618
Profit/(Loss) for the period	-	3,26,24,536	-	-	3,26,24,536
Other Comprehensive income/(losses)	-	-	-	8,09,245	8,09,245
Total Comprehensive Income for the Year	-	3,26,24,536	-	8,09,245	3,34,33,781
Deferred tax on share issue expense	(7,31,807)	-	-	-	(7,31,807)
Dividend (including tax)	-	(24,24,750)	-	-	(24,24,750)
Closing Balance as at 31st March 2021	6,79,90,824	21,61,23,293	-	10,05,725	28,51,19,842

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 : 21101858AAAAFO5644
Place: Mumbai
Date: 07th October 2021

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

AUDITED FINANCIAL STATEMENTS



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

Particulars	All Amount in INR	
	As at 31st March 2021	As at 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	2,31,75,606	5,37,64,897
Adjustment for:		
Depreciation and Amortization Expense	29,19,312	28,31,821
Finance cost	5,10,28,978	4,30,49,407
Interest paid on Security Deposit	-	-
Allowance for Doubtful Debts	8,05,34,839	1,70,70,903
Balances Written Back	-	-
Reversal of Allowance for Doubtful Debts	-	-
Profit on sale of Property, Plant & Equipment	-	-
Re-measurement (Gain)/Loss on Defined Benefit Plan	10,81,444	(6,18,337)
Interest Income on Fixed Deposit and Income Tax Refund	(24,85,274)	(47,65,232)
Operating Profit before Working Capital changes	15,62,54,905	11,13,33,460
Adjustment for:		
(Increase)/decrease in Trade Receivables	(6,31,80,149)	2,29,22,335
(Increase)/decrease in Other Current Financial Assets	(6,438)	(4,500)
(Increase)/decrease in Non-Current Loans	-	-
(Increase)/decrease in Other Non-Current Financial Assets	(1,98,15,425)	(4,62,28,186)
(Increase)/decrease in Other Current Assets	(14,05,29,732)	(18,62,87,922)
(Increase)/decrease in Non-Current Assets	-	-
(Increase)/decrease in Inventories	65,22,070	(89,68,510)
Increase/(decrease) in Trade-Payable	(63,73,961)	3,51,08,044
Increase/(decrease) in Other Current Financial Liability	1,76,02,062	3,63,39,459
Increase/(decrease) in Non Current Liability	18,64,805	-
Increase/(decrease) in Provision	3,03,83,132	2,38,93,462
Increase/(decrease) in Other Non-Current Financial Liability	5,21,93,645	(1,04,53,881)
Increase/(decrease) in Current Liability	70,71,213	62,00,272
Increase/(decrease) in Non-Current Liability	-	-
Cash Generated from Operations	4,19,86,127	(1,61,45,969)
Direct Taxes	(61,21,181)	(1,00,47,230)
Net Cash from Operating Activities (A)	3,58,64,946	(2,61,93,199)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(45,61,436)	(17,07,997)
Sale of Property, Plant & Equipment	5,000	-
Fixed Deposits placed/matured/realised	(1,46,72,913)	(87,85,651)
Interest Received	24,85,274	47,65,232
Net Cash used in Investing Activities (B)	(1,67,44,075)	(57,28,416)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(5,10,28,978)	(4,30,49,407)
Dividend Paid	(24,24,750)	(48,49,500)
Dividend Distribution Tax	-	(9,96,830)
Proceeds from Issue of Equity Instruments	-	10,61,64,000
Payment For share issue related costs	-	(41,19,532)
Net Cash from Financing Activities (C)	(5,34,53,728)	5,31,48,731
Net Changes in Cash and Cash Equivalents (A+B+C)	(3,43,32,858)	2,12,27,115
Opening Balance of Cash and Cash Equivalents	4,10,92,913	1,98,65,797
Closing Balance of Cash and Cash Equivalents	67,60,055	4,10,92,913

Notes:-

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

2 Cash and Cash Equivalents at the year end comprises

Cash on Hand	29,83,709	41,13,341
In Current Account	37,76,346	3,69,79,572
	67,60,055	4,10,92,913

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 : 21101858AAAAFO5644

Place: Mumbai

Date: 07th October 2021

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, 2021

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, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 7th October 2021.

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 exceeds the services rendered, a contract liability is recognised. If the contract includes payment clause on the basis of time lapse (hourly or monthly etc.), revenue is recognised to the extent the Company has a right to invoice. In such cases, customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Interest:

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

(d) Dividend:

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

(e) Rent Income:

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

(f) Profit on sale of investment:

It is recognized on its liquidation/redemption.

(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
Equipments (Plant & Machineries)	15 Years
Vehicles	8 Years
Motor Vehicles on Hire	6 years
Office Equipments	15 Years
Furniture & Fixtures	10 Years
Computers (Servers & Networks)	6 Years
Software	3 years

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

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

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

(j). INVESTMENT PROPERTY

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment

properties are subsequently measured at cost less depreciation. Investment properties are depreciated based on their estimated useful lives. Office premises which is considered as Investment property has a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management.

(k) IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

(l) INVENTORIES

Items of inventories are measured in at lower cost & net 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 ACCOUNTING PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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 remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being Recognised in profit or loss.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in

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

AUDITED FINANCIAL STATEMENTS



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

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

NOTES TO FINANCIAL STATEMENTS

All Amount in INR

3 PROPERTY, PLANT & EQUIPMENT

Description	Furniture & Fixture	Computers	Equipments \$	Motor Vehicles	Plant & Machinery *	Total	Intangible Assets
Gross Carrying Value as at 1st April 2019	7,61,430	7,44,757	4,64,043	52,75,926	2,97,64,195	3,70,10,351	42,000
Additions	0	3,01,352	86,577	6,96,500	5,25,568	16,09,997	98,000
Disposals	0	0	0	0	0	0	0
Gross Carrying Value as at 31 March 2020	7,61,430	10,46,109	5,50,620	59,72,426	3,02,89,763	3,86,20,348	1,40,000
Additions	12,712	2,39,810	76,900	37,11,244	5,20,770	45,61,436	0
Disposals			5,000			5,000	
Gross Carrying Value as at 31 March 2021	7,74,142	12,85,919	6,22,520	96,83,670	3,08,10,533	4,31,76,784	1,40,000
Accumulated Depreciation							
Balance as at 31 March 2019	5,72,271	6,17,145	3,63,113	50,53,977	1,78,03,831	2,44,10,337	
Additions	48,973	1,19,251	26,366	1,19,815	21,83,616	24,98,021	
Disposal	0	0	0	0	0	0	0
Balance as at 31 March 2020	6,21,244	7,36,396	3,89,479	51,73,792	1,99,87,447	2,69,08,358	
Additions	19,290	1,59,930	32,123	4,07,532	18,94,469	25,13,344	88,424
Disposal						0	0
Balance as at 31 March 2021	6,40,534	8,96,326	4,21,602	55,81,324	2,18,81,916	2,94,21,702	88,424
Net Carrying Value							
As at 31 March 2020	1,40,186	3,09,713	1,61,141	7,98,634	1,03,02,316	1,17,11,990	1,40,000
As at 31 March 2021	1,33,608	3,89,593	2,00,918	41,02,346	89,28,617	1,37,55,082	51,576

* 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 : 21101858AAAAFO5644
Place: Mumbai
Date: 07th October 2021

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**

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

NOTES TO FINANCIAL STATEMENTS

3(a) INVESTMENT PROPERTIES	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Gross Carrying Value	99,63,420	99,63,420	99,63,420
Accumulated depreciation	37,60,557	34,43,013	31,09,213
Net Carrying Value	62,02,863	65,20,407	68,54,207

ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTIES	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Accumulated depreciation at the beginning of the year	34,43,013	31,09,213	27,58,325
Addition	3,17,544	3,33,800	3,50,888
Accumulated depreciation at the end of the year	37,60,557	34,43,013	31,09,213

i) Amount recognised in profit and loss for investment properties	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rental Income	5,95,000	9,85,000
Direct operating expenses from property that generated Rental Income	1,42,156	1,75,126
Direct operating expenses from property that didn't generated Rental Income	1,60,175	-
Profit from investment properties before depreciation	2,92,669	8,09,874
Depreciation	3,17,544	3,33,800
Profit from investment properties	-24,875	4,76,074

ii) Contractual obligations

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

iii) Leasing arrangements

Investment property is leased out to one tenant under operating leases.

iv) Fair Value

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Investment Property	1,92,22,000	1,74,75,000	1,74,75,000

Estimation of Fair Value

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

4 INVESTMENTS	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Investment measured at Fair Value through Other Comprehensive Income			
In Equity Shares of Other Companies			
Unquoted, Fully Paid up			
Shares in Apna Sahakani Bank (20000 Shares of Rs.25/- each fully paid up)	5,00,000	5,00,000	5,00,000
Total	5,00,000	5,00,000	5,00,000

5 OTHER FINANCIAL ASSETS	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
<i>(Unsecured, considered good, unless stated otherwise)</i>			
NSE Exchange Deposit	-	11,62,300	11,62,300
Security Deposits & Retention Money	9,56,23,998	7,45,17,828	3,67,30,397
Service tax Appeal Deposit	1,01,92,858	1,01,92,858	16,92,539
Net defined benefit plan (Gratuity plan asset)	-	1,28,445	1,88,009
Total	10,58,16,856	8,60,01,431	3,97,73,245

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

6 DEFERRED TAX ASSETS (NET)	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
Deferred Tax Assets / (Liabilities) in relation to			
Deferred Tax Assets			
Property, Plant & Equipment	-	-	-
Provision for Employee Benefits	7,13,843	-	1,08,432
Allowance for Bad & Doubtful Debts	2,05,15,121	26,17,949	22,77,258
Share Issue expenses/IPO Expenses	15,44,454	22,76,261	-
Sub-Total (A)	2,27,73,417	48,94,210	23,85,690
Deferred Tax Liabilities			
Property, Plant & Equipment	6,29,803	7,05,412	7,95,373
Interest / Processing Fees Ind As Adjustments	4,37,540	10,06,994	7,72,056
Sub-Total (B)	10,67,343	17,12,406	15,67,429
Deferred Tax Assets / (Liability) (Net) (A-B)	2,17,06,074	31,81,804	8,18,261

The movement on the Deferred Tax Asset is as follows:

Particulars	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
Balance at the Opening of Reporting period - Deferred Tax Asset	31,81,804	8,18,261	(9,23,424)
Allowance for Bad & Doubtful Debts	1,78,97,171	3,40,691	22,77,258
Property, Plant & Equipment	75,609	89,961	1,32,200
Provision for Employee Benefits	7,13,843	(1,08,432)	(2,12,439)
Interest / Processing Fees Ind As Adjustments	5,69,454	(2,34,938)	(4,55,334)
Recognised in Profit & Loss A/c	1,92,56,077	87,282	17,41,685
Adjusted against share issue expenses/IPO expenses in equity			
Share issue expenses/IPO expenses	(7,31,807)	22,76,261	-
Total Movement of Deferred Tax Asset	1,85,24,270	23,63,543	17,41,685
Charge to Other Comprehensive Income			
Remeasurement of Defined Benefit Plans	-	-	-
Balance at the Closing of Reporting period- Deferred Tax Asset	2,17,06,074	31,81,804	8,18,261

7 Inventories	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
Raw Materials	-	-	-
Work-in-progress	-	-	-
Finished Goods	-	-	-
Traded Goods	-	-	-
Stores & spares	27,75,441	92,97,511	3,29,001
Total Inventories	27,75,441	92,97,511	3,29,001

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

8 TRADE RECEIVABLES	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
<i>Non Current Debtors</i>			
- Unsecured	-	-	-
Considered Good	-	-	-
Considered Doubtful	20,40,11,502	20,91,04,542	22,04,36,149
- Less:- Allowance for Bad & Doubtful Debts	6,80,03,834	50,00,000	44,08,723
Total	13,60,07,668	20,41,04,542	21,60,27,426
<i>Current Debtors</i>			
- Unsecured			
Considered Good	22,12,51,951	16,14,11,199	18,88,48,203
Considered Doubtful	-	-	-
- Less:- Allowance for Bad & Doubtful Debts	1,35,08,883	44,10,314	37,76,964
Total	20,77,43,068	15,70,00,885	18,50,71,239

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

9 CASH AND BANK BALANCES	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
Cash and cash equivalents			
(a) Balances with Banks	37,76,346	3,69,79,572	1,51,87,575
(b) Cash on hand	29,83,709	41,13,341	46,78,223
	67,60,055	4,10,92,913	1,98,65,797
Bank Balances other than above carried at Amortised Cost *			
(a) Deposit with original maturity of more than 3 months but less than 12 months	-	-	-
(b) Margin money deposit under lien	4,53,79,188	3,07,06,275	2,19,20,624
(c) Unpaid dividend	10,938	4,500	-
	4,53,90,126	3,07,10,775	2,19,20,624
Total	5,21,50,181	7,18,03,688	4,17,86,421

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

M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO FINANCIAL STATEMENTS

10	CURRENT TAX ASSETS (NET)	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
	Advance Income Tax (net of Provisions)	1,90,54,058	1,19,34,462	8,66,235
	Total	1,90,54,058	1,19,34,462	8,66,235
11	OTHER CURRENT ASSETS	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
	(a) Advances to Staff (Unsecured Considered Good)	40,000	-	-
	(b) Loans & Advances	15,07,290	7,05,837	6,37,520
	(c) Advances against site	61,31,714	4,21,58,859	6,83,81,102
	(d) Balance with Government Authorities	-	-	-
	(e) Prepaid Expenses	11,67,166	10,58,507	20,18,295
	(f) Contract Assets	37,01,33,622	20,56,04,617	-
	Total	37,89,79,792	24,95,27,821	7,10,36,917
Changes in Contract Assets are as follows:		As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
	Contract Assets at the beginning of the year	20,56,04,617	-	-
	Revenue Recognised during the year	1,15,04,26,616	1,15,24,89,456	78,00,11,978
	Invoices raised during the year	(98,58,97,611)	(94,68,84,839)	(78,00,11,978)
	Contract Assets at the end of the year	37,01,33,622	20,56,04,617	-
12	SHARE CAPITAL	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
	(a) Authorised 1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000	12,00,00,000	12,00,00,000
	Total	12,00,00,000	12,00,00,000	12,00,00,000
	(b) Issued, Subscribed and Paid Up 96,99,000 Equity Shares of Rs. 10 each	9,69,90,000	9,69,90,000	6,75,00,000
	Total	9,69,90,000	9,69,90,000	6,75,00,000
	(c) Reconciliation of the Number of Equity Shares Shares outstanding at the beginning of the year	96,99,000	67,50,000	67,50,000
	Shares issued during the year	-	29,49,000	-
	Shares bought back during the year	-	-	-
	Shares outstanding at the Closing of the year	96,99,000	96,99,000	67,50,000
	(d) Terms and Rights attached to Equity Shareholders The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity share is entitled to one vote per equity share. The dividend is recommended by the Board of Directors and declared by the members at the ensuing Annual General Meeting. In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets, if any in proportion to the number of shares held at the time of commencement of winding-up. The share holders have all other rights as available to the Equity shareholders as per the provisions of the Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the Company, as applicable.			
	(e) Shareholders holding more than 5% Equity Shares			
	Equity Shares of Rs.10 each fully paid held by-	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
	(i) Ravindra Malinga Hegde	No. of shares 59,45,785	No. of shares 58,94,785	No. of shares 58,04,785
	(ii) Sujata Ravindra Hegde	9,57,000	9,51,000	9,45,000
13	OTHER EQUITY	As at 31st March, 2021	As as 3 1st March, 2020	As at 1st April, 2019
	(a) Security Premium Opening Balance	6,87,22,631	-	-
	add : issue of shares	-	7,66,74,000	-
	less : Bonus issue	-	-	-
	less: Share issue expenses/IPO Expenses net of Tax benefit	(7,31,807)	(79,51,369)	-
	Closing balance	6,79,90,824	6,87,22,631	-
	(b) Retained Earnings Balance at the beginning of the Financial Year	18,59,23,507	14,48,65,702	14,25,95,388
	Adjustment of prior period expense	-	-	22,70,314
	Restated balance at the beginning of the Financial Year	18,59,23,507	14,48,65,702	14,48,65,702
	Profit during the year transferred	3,26,24,536	4,69,04,134	-
	Less: Dividend Paid	(24,24,750)	(48,49,500)	-
	Tax on Dividend	-	(9,96,829)	-
	Utilisation for Bonus Issue	-	-	-
	Balance at the end of the Financial Year	21,61,23,293	18,59,23,507	14,48,65,702
	Balance consists of Surplus retained from earned profit after payment of dividend.			

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

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NOTES TO FINANCIAL STATEMENTS

(c) Share issue expenses

Opening Balance	-	(61,08,098)	(10,75,500)
Add : expenses incurred	-	(41,19,532)	(50,32,598)
Less : Transfer to Securities Premium Account	-	1,02,27,630	-
Closing Balance	-	-	(61,08,098)

Total Reserve & Surplus (a) + (b) + (c) **28,41,14,117** **25,46,46,138** **13,87,57,604**

(d) Items of Other Comprehensive income

Remeasurements of defined benefit plans

Opening Balance	1,96,480	6,42,796	-
Add: Current year Income/(expense)	8,09,245	(4,46,316)	6,42,796
Closing balance	10,05,725	1,96,480	6,42,796

Total Other Equity (a) + (b) + (c) + (d) **28,51,19,842** **25,48,42,618** **13,94,00,400**

14 Non-Current Liabilities

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
(a) Financial Liabilities			
(i) Borrowings			
1-Secured loans	9,78,65,797	4,56,05,117	5,50,08,795
2-Unsecured loans	2,30,17,450	2,30,84,486	2,41,34,689
TOTAL	12,08,83,247	6,86,89,602	7,91,43,484

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

15 OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Provision for gratuity	18,64,805	-	-
Total	18,64,805	-	-

16 Current Borrowings

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Working capital			
from banks & financial institutions-Secured			
Apna Sahakari Bank Ltd	15,82,82,208	18,11,04,986	15,56,51,255
Deutsche Bank	1,37,64,698	1,20,21,449	1,08,77,395
Bank of India	111	-	-
From Related Parties			
Ravindra Hegde	56,04,254	36,29,254	42,77,758
Sujata Hegde	28,98,000	48,000	1,00,000
KHFM HR Consultancy Private Limited	1,00,000	-	-
Total	18,06,49,270	19,68,03,689	17,09,06,408

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

17 TRADE PAYABLES

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
<i>Financial Liabilities carried at Amortised Cost</i>			
(a) Due to Micro, Small and Medium Enterprises	13,64,182	69,120	-
(b) Others	-	-	-
(i) Related Parties	1,70,137	-	7,26,314
(ii) Other Parties	5,15,66,200	5,94,05,359	2,36,40,121
Total	5,31,00,519	5,94,74,479	2,43,66,435

18 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
<i>Financial Liabilities carried at Amortised Cost</i>			
(a) Current Maturity of long term debt	6,02,95,191	4,71,08,666	4,39,05,061
(b) Unclaimed Dividend	10,938	4,500	-
(c) Subcontractor deposits	3,78,59,288	1,69,95,770	97,61,696
(d) Deposit premises	-	3,00,000	3,00,000
Total	9,81,65,416	6,44,08,936	5,39,66,757

19 PROVISIONS (CURRENT)

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Provision for taxes	-	-	11,80,615
Provision for Gratuity	9,71,505	-	-
Provision for Employee benefit expenses	6,94,92,173	4,02,75,546	1,51,76,469
Provision for Audit fees	5,55,000	3,60,000	3,85,000
Total	7,10,18,678	4,06,35,546	1,67,42,084

20 OTHER CURRENT LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
(a) Advances from customer	-	-	-
(b) Statutory Dues	3,69,50,882	2,98,79,670	2,36,79,398
Total	3,69,50,882	2,98,79,670	2,36,79,398

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

**M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO FINANCIAL STATEMENTS

All Amount in INR

21 REVENUE FROM OPERATIONS	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contracted Price (Services)	1,15,04,26,616	1,15,27,92,604
Less : Reduction towards variable consideration components	5,95,569	3,03,148
Total	1,14,98,31,047	1,15,24,89,456
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, 2021	For the year ended 31st March, 2020
(a) Rental Income	5,95,000	9,85,000
(b) Reimbursement of Interest & Issue Exp from LLPs	-	-
(c) Miscellaneous Income	-	-
(d) Profit on Sale of Property, Plant & Equipments	-	-
(e) Reversal of Allowance for Bad & Doubtful Debts	-	-
(f) Dividend	-	50,001
(g) Interest Income earned on Financial Assets carried at Amortised Cost	-	-
(i) Interest on Bank Fixed Deposits	24,85,274	47,65,232
(ii) Interest on Security Deposit	-	-
(h) Investment carried at Fair Value through P&L	-	-
(i) Fair Value Gain on Mutual Funds	-	-
(i) Remission of Liability	10,37,240	10,91,964
Total	41,17,514	68,92,197
23 EMPLOYEE BENEFITS EXPENSES	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Salaries, Wages and Bonus	51,82,52,234	50,73,12,147
(b) Contribution to Provident Fund and Other funds	6,53,48,027	7,31,60,433
(c) Staff Welfare expenses	5,34,578	8,21,490
Total	58,41,34,839	58,12,94,070
24 FINANCE COST	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Interest Expenses for financial liabilities measured at amortised cost	5,10,28,978	4,30,49,407
Total	5,10,28,978	4,30,49,407
25 DEPRECIATION	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation on property, plant and equipment	25,13,344	24,98,021
Depreciation on investment property	3,17,544	3,33,800
Amortisation of intangible assets	88,424	-
Amortisation of leasehold land	-	-
Total	29,19,312	28,31,821

AUDITED FINANCIAL STATEMENTS



**M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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26 OTHER EXPENSES	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Direct Expenses		
Site Expenses	18,82,41,635	18,27,49,847
Labour Charges	14,79,56,334	19,14,67,669
Consumption of stores, spares & Consumables	3,10,54,702	3,82,17,086
Uniform Expenses	8,44,804	10,45,077
Blocked credit	43,35,756	32,27,905
Indirect Expenses		
Advertising and domain expenses	1,37,640	6,46,556
Audit Fees	12,94,000	11,39,500
Computer, Software & Printer Expenses	2,88,906	86,350
Commission	23,000	28,000
Donation	76,000	87,004
Deductions & Penalty	89,93,908	1,17,73,235
GST / Service Tax	-	4,99,856
Insurance	37,69,678	43,04,622
Miscellaneous Expenses	7,48,501	12,06,696
Office Expenses	3,98,430	9,15,301
Power & Fuel	11,89,566	19,05,572
Property Tax	78,748	-
Professional tax	7,500	-
Legal & Professional Charges	29,87,162	51,41,659
Listing Fees	15,000	-
Interest late fees and penalty	6,33,650	6,38,325
Printing & Stationery	1,46,646	3,28,449
Rent including Lease Rentals	35,81,037	29,24,743
Repair & Maintenance	19,81,036	32,36,905
Bad Debts	-	5,99,923
Allowance for Bad & Doubtful Debts	8,05,34,839	1,70,70,903
Tender Fees	10,14,089	3,56,918
Telephone Charges	1,57,090	1,90,760
Transport Charges	59,83,253	66,72,618
Travelling and Conveyance	62,16,916	19,79,979
Total	49,26,89,826	47,84,41,458
Payment to Auditor		
As Auditor		
(a) Statutory Audit Fee	7,00,000	7,00,000
(b) Tax Audit Fees	1,00,000	1,00,000
(c) Certification and Consultancy Fees	4,94,000	3,39,500
(d) Cost Audit Fees		
Total	12,94,000	11,39,500
Certification and consultation fees primarily includes certification fees paid to auditors . Statute and regulation permit auditors to certify export / import documents, quarterly fillings, transfer pricing, and bond issuances among others.		
COST OF MATERIAL CONSUMED	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Spares material at the beginning of the year	92,97,511	3,29,001
Add ; Purchases	2,45,32,632	4,71,85,596
Less : Spares Material at the end of the year	27,75,441	92,97,511
Total cost of material consumed	3,10,54,702	3,82,17,086

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**M/s KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED
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NOTES TO FINANCIAL STATEMENTS

27 INCOME TAX	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Income Tax recognized in Statement of Profit & Loss		
Current Tax Expenses	58,48,981	1,02,19,251
Tax of the Earlier Years	39,58,165	(32,71,206)
Deferred Tax Expenses	(1,92,56,077)	(87,282)
Total Tax Expenses recognized in Statement of Profit & Loss	(94,48,930)	68,60,763
(b) Tax expenses related to Items recognized in Statement of Other Comprehensive Income		
Remeasurement of Defined Benefit Plans	2,72,199	(1,72,021)
Income tax Charged to Statement of Other Comprehensive Income	2,72,199	(1,72,021)
(b) Reconciliation of Effective Tax Rate		
Profit Before Tax	2,31,75,606	5,37,64,897
Tax at India's statutory Income Tax rate	25.17	27.82
Expected Income tax expense/(benefit)	58,32,837	1,49,57,394
<u>Tax effect of adjustments to reconcile expected Income Tax expense to reported Income Tax expense</u>		
Tax on Items inadmissible to be debitted to P/L	2,20,67,939	68,95,046
Tax on Items admissible to be debitted to P/L / Considered under separate head	(2,27,82,113)	(1,29,72,787)
Tax on Items Considered under other Head of income	7,30,318	13,39,598
<u>Current Tax Expense</u>	58,48,981	1,02,19,251
Tax on Items recognised in other comprehensive income	2,72,199	(1,72,021)
Total Tax Expenses / (benefits) (A)	61,21,181	1,00,47,230
Incremental Deferred Tax Liability / (Assets) on account of Property, Plant and Equipment	(75,609)	(89,961)
Incremental Tax Liability / (Assets) on account of Financial assets and Other Items	(1,91,80,468)	2,678
Deferred Tax Provision (B)	(1,92,56,077)	(87,282)
Total Tax Expenses / (benefits) (A + B)	(1,31,34,896)	99,59,948
Effective Tax Rate	-56.68%	18.53%

AUDITED FINANCIAL STATEMENTS



Name of Lender	Purpose	Sanction Amount (in lakhs)	Rate of interest	Securities offered	Re-payment	Moratorium	As At
							31-03-2021
							31-03-2020
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 Guaranteee : As per Note 2	On Demand	NA	15,82,95,608
Apna Sahakari Bank Ltd.	Business Loan (Loan against book debts and property)	300.00	11.50% p.a.	Primary Security : Hypothecation of Stock & Book Debts Collateral Security : As per Note 1 Personal Guaranteee : As per Note 3	120 EMIs of 4.26 lacs each	NA	2,42,74,581
Deutsche Bank AG	Working Capital (Cash Credit)	137.50	10.55% p.a.	As per Note 2	On Demand	NA	1,37,64,698
	Business Loan (Loan Against Property)	100.00	12% p.a.	As per Note 5	120 EMIs of Rs. 1.45 Lacs each	Nil	61,67,541
Apna Sahakari Bank Ltd.	Business Loan (Loan Against Machineries)	19.00	12% p.a.	As per Note 7	60 EMIs of Rs. 0.43 Lacs each	Nil	8,35,296
	Business Loan (Loan Against Property)	150.00	12% p.a.	As per Note 8	60 EMIs of Rs. 3.36 Lacs each	Nil	12,34,332
	Business Loan (Loan Against Property)	50.00	12% p.a.	As per Note 9	60 EMIs of Rs. 1.125 Lacs each	Nil	43,16,035
Deutsche Bank AG	Business Loan (Loan Against Property)	206.00	10.50% p.a.	As per Note 10	180 EMIs of Rs. 2.28 Lacs each	Nil	16,95,021
PNB Housing Finance Ltd.	Business Loan (Loan Against Property)	60.50	11.45% p.a.	As per Note 11	180 EMIs of Rs. 0.69 Lacs each	Nil	90,23,471
Apna Sahakari Bank Ltd.	Loan against deposit	40 lacs	7.5% p.a	Secured against Fixed deposit	EMIs of Rs 2 lacs each	Nil	38,25,427
Apna Sahakari Bank Ltd.	Business Loan (Loan against book debts and property)	550 lacs	11% p.a.	As per Note 12	84 EMIs of Rs 9.52 lacs each	Nil	5,50,16,575
Deutsche Bank	Business Loan (Loan Against Property)	48.08 lacs	10.50% p.a.	As per Note 10	Loan taken over by Bank of India - Post financial year	Yes	48,08,000
Mahindra Finance	Car Loan used for Business	54.56 lacs	9.5% p.a	Secured against Car	24 EMIs of Rs 2,53,040 each	Nil	58,19,920

Notes

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

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

Deutsche Bank AG - Overdraft Rs. 137.50 Lacs

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

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

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

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

- Security :** First and exclusive charge and security by way of hypothecation of machineries such as Elcher Tractors, Eicher Tractors Trolley, B.N.T. Plus.
- Security :** First and exclusive charge and security by way of hypothecation of machineries purchased from 1.) Eureka Forbes Ltd., 2.) Sharpex Engg., 3.) Noyak Eng. Co., 4.) Datarica Dispensing Syst., 5.) Dulero India Pvt. Ltd., 6.) Unique Clearing Product.

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

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

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

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

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

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

Deutsche Bank AG - Business Loan Rs. 260.00 Lacs

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

PNB Housing Finance Limited - Business Loan Rs. 60.50 Lacs

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

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

- Security :** Office no 305, 3rd Floor, Antariksh makhwana Road, Marol, Andheri, Mumbai-400059, Shop No. 1, Shop No. 2, Nimra Plaza, Makhwana Road, Marol, Andheri East, Mumbai-400059 held in the name of Mr. Ravindra Hegde & Mrs. Sujata Hegde. Flat No. 103, Datta Gokulpada CHS, MC Keekar Road, Dattaraj (W), Mumbai-400026 held in the name of HR Consultancy Pvt Limited wherein Mr. Ravindra Hegde and Mrs. Sujata Hegde are the directors of the company. 02/16, Green field, Marhalkalcaives, Jogeshwari(E), Mumbai held in the name of the directors & PDR of Rs 160.52 lacs

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

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

NOTES TO FINANCIAL STATEMENTS

		All Amount in INR	
29 EARNING PER SHARE		Year ended 31st March, 2021	Year ended 31st March, 2020
(a) Net Profit for Basic & diluted EPS		3,26,24,536	4,69,04,134
(b) Number of Equity Shares at the beginning of the year		96,99,000	67,50,000
(c) Total Number of Shares outstanding at the end of the year		96,99,000	96,99,000
(d) Weighted Average number of Equity Shares outstanding during the year		96,99,000	96,02,047
Earning Per Share - Basic (Rs.)		3.36	4.88
Earning per share - Diluted (Rs.)		3.36	4.88
Face value per share (Rs.)		10.00	10.00
30 CONTINGENT LIABILITIES & COMMITMENTS		As at 31st March, 2021	As as 31st March, 2020
(a) Claims against the company not acknowledged as debt:			
- Service Tax		1389.40	1,389.40
(b) Guarantees			
(i) Bank Guarantees		1365.44	1,217.77
(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, 2021	As as 31st March, 2020
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, 2021		13,64,182	69,120
(b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year		-	-
(c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act		-	-
(d) the amount of interest accrued and remaining unpaid		-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.		-	-
(d) the amount of provision made for payment to MSME Enterprises		5,55,000	3,60,000

**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) Ravi Nevatia	Non Executive & Independent Director
(f) Brahm Pal Singh	Non Executive & Independent Director
(g) Naveen Carvallo	CFO (KMP)

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

Name of Party	Type of relation	Nature of Transaction	Income / Expense/ Asset/ Liability	2020-21	2019-20
				Amount	Amount
Palemer Enterprises (Prop Sujata Hegde)	Associate Concerns	Interest Expenses	Expense	70,895	-
		Closing Balance			
		Unsecured Loans	Liability	28,98,000	48,000
Kalpataru Pest Control (Prop Ravindra Hegde)	Associate Concerns	Interest Expenses	Expense	2,30,741	2,55,000
		Closing Balance			
		Unsecured Loans	Liability	56,04,254	36,29,254
KHFM HR Consultancy Private Limited	Associate Concerns	Unsecured Loans	Liability	1,00,000	-
Ravindra Hegde	KMP	Director Remuneration	Expense	21,00,000	36,00,000
		Rent Paid	Expense	10,16,400	9,24,000
		Dividend Paid	Expense/Equity	14,84,196	29,02,393
		Closing Balance			
		Creditor	Liability	1,04,559	-
Saurav Hegde	KMP	Director remuneration	Expense	1,80,000	3,10,000
		Dividend paid	Expense	25	50
		Closing Balance			
		Salary payable	Liability	-	18,565
Sujata Hegde	KMP	Director Remuneration	Expense	16,80,000	30,00,000
		Dividend Paid	Expense/Equity	2,37,750	4,72,500
		Closing Balance			
		Creditor	Liability	65,578	
		Salary Payable	Liability	2,92,751	12,71,387
Riddhi Hegde	KMP	Dividend Paid	Expense	25	-
Naveen Carvallo	KMP	Salary	Expense	7,20,000	7,20,000
		Closing Balance			
		Salary Payable	Liability	46,280	34,480
Ravi Nevatia	KMP	Sitting fees	Expense	25,000	35,000
		Closing Balance			
		Sitting fees payable	Liability	18,500	12,000
Brahm Pal Singh	KMP	Sitting fees	Expense	25,000	35,000
		Closing Balance			
		Sitting fees payable	Liability	4,250	21,500

(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, 2021

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 2021	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	13,60,07,668	13,60,07,668
Other Non-Current Financial Assets	-	-	10,58,16,856	10,58,16,856
Current Assets:-				
Cash & Cash equivalents	-	-	5,21,50,181	5,21,50,181
Trade receivables	-	-	20,77,43,068	20,77,43,068
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-				
Borrowings	-	-	12,08,83,247	12,08,83,247
Other financial liabilities	-	-	-	-
Current :-				
Borrowings	-	-	18,06,49,270	18,06,49,270
Trade payables	-	-	5,31,00,519	5,31,00,519
Other financial liabilities	-	-	9,81,65,416	9,81,65,416

AUDITED FINANCIAL STATEMENTS



31st March 2020	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	20,41,04,542	20,41,04,542
Other Non-Current Financial Assets	-	-	8,60,01,431	8,60,01,431
Current Assets:-				
Cash & Cash equivalents	-	-	7,18,03,688	7,18,03,688
Trade receivables	-	-	15,70,00,885	15,70,00,885
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-	-	-	-	-
Borrowings	-	-	6,86,89,602	6,86,89,602
Other financial liabilities				
Current :-	-	-		
Borrowings	-	-	19,68,03,689	19,68,03,689
Trade payables	-	-	5,94,74,479	5,94,74,479
Other financial liabilities			6,44,08,936	6,44,08,936

AUDITED FINANCIAL STATEMENTS



1 st April 2019	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Asset :				
Non-Current Assets:-				
Investments	-	-	-	-
Investment in Equity instruments	-	5,00,000	-	5,00,000
Investment in Preference Shares	-	-	-	-
Trade Receivables	-	-	21,60,27,426	21,60,27,426
Other Non-Current Financial Assets	-	-	3,97,73,245	3,97,73,245
Current Assets:-				
Cash & Cash equivalents	-	-	4,17,86,421	4,17,86,421
Trade receivables	-	-	18,50,71,239	18,50,71,239
Other Financials Assets	-	-	-	-
Financial Liability :				
Non-Current :-	-	-	-	-
Borrowings	-	-	7,91,43,484	7,91,43,484
Other financial liabilities				
Current :-	-	-		
Borrowings	-	-	17,09,06,408	17,09,06,408
Trade payables	-	-	2,43,66,435	2,43,66,435
Other financial liabilities			5,39,66,757	5,39,66,757

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2021 and 31st March, 2020 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.

The ageing of trade receivables is as follows:

Particulars	31st March, 2021	31st March, 2020
Trade Receivables (Unsecured)		
Over six months	23,58,62,935	11,35,20,067
Less than six months	18,94,00,518	25,69,95,674
Less: Allowance for doubtful debts	(8,15,12,717)	(94,10,314)
Total	34,37,50,737	36,11,05,427

Reconciliation of provision for doubtful debts/expected credit loss:

Particulars	31st March, 2021	31st March, 2020
Opening Expected Credit Loss	94,10,314	81,85,687
Additions	8,05,34,839	1,70,70,903
Less: Bad debts booked	(84,32,435)	(1,58,46,276)
Closing Expected Credit Loss	8,15,12,717	94,10,314

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, 2021.

Particulars	Due within 12 Months	Due within 1 to 3 years	More than 3 years
Financial Liabilities Borrowings	24,09,44,461	5,12,47,653	6,96,35,594
The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2020.			
Financial Liabilities Borrowings	24,39,12,355	3,64,20,222	3,22,69,381

(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, 2021	31 st March, 2020	1 st April, 2019
Financial Assets	-	-	
Fixed rate instruments			
Bank Deposits			
- Current	37,76,346	3,69,84,072	1,51,87,575
- Non Current	4,53,79,188	3,07,06,275	2,19,20,624

Financial Liabilities			
Fixed rate instruments			
Borrowing	-	-	
Variable rate instruments			
Borrowing			
- Short term borrowing	24,09,44,461	24,39,12,355	21,48,11,469
- Long term borrowing	12,08,83,247	6,86,89,603	7,91,43,484

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 remeasurements in the Other Comprehensive Income(OCI). When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Gratuity benefit liabilities of the company are funded to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the

restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

Funded status of the Plan:		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Present value of funded obligations	67,60,548	18,55,818
Fair value of plan assets	(39,24,238)	(19,84,263)
Net Liability (Asset)	28,36,310	(1,28,445)

Profit and loss for the period:		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Service Cost:		
Current Service Cost	69,69,822	8,45,304
Past Service Cost and loss/(gain) on curtailments and settlements	-	-
Net Interest Cost	(42,901)	(14,477)
Total included in 'Employee benefit expense'	69,26,921	8,30,827

Other comprehensive Income for the period		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2,67,288	2,39,741

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Due to change in demographic assumption	(15,90,618)	(964)
Due to experience adjustments	2,67,683	3,51,959
Return on plan assets excluding amounts included in interest income	(25,797)	(5,50,174)
Amounts recognized in Other Comprehensive (Income) / Expense	(10,81,444)	40,562

Reconciliation of defined benefit obligation		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening Defined Benefit Obligation	18,55,818	3,89,766
Current service cost	69,69,822	8,45,304
Interest cost	1,26,967	30,012
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2,67,288	2,39,741
Due to change in demographic assumption	(15,90,618)	(964)
Due to experience adjustments	2,67,683	3,51,959
Benefits paid by the company	(11,36,412)	-
Closing Defined Benefit Obligation	67,60,548	18,55,818

Reconciliation of Plan assets		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening value of plan assets		

	19,84,263	
Transfer in/(out) plan assets	-	-
Interest Income	1,69,868	44,489
Return on plan assets excluding amounts included in interest income	25,797	5,50,174
Contributions by employer	17,44,310	13,89,600
Contributions by Employee	-	-
Exchange differences on foreign plans	-	-
Closing value of Plan assets	39,24,238	19,84,263

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Discount rate	4.25%	6.85%
Salary Growth Rate	6.60%	6.60%
Withdrawal rates	50.00% p.a at all ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages

37. SEGMENT REPORTING

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

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

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. Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021..

42. 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.

43. POST REPORTING EVENTS

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

44 :- COMPARATIVES

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

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

46. IMPACT ASSESSMENT OF THE GLOBAL HEALTH PANDEMIC COVID -19

The impact of Covid -19 pandemic was felt across the economy and business segments. Consequent to significant opening up of the economic activity in the country, the demand for the company's products has improved compared to that during the initial phases of Covid-19 including the lock down period. All the business segments of the Company have substantially recovered as at year end. In preparation of these financial statements, the Company has taken into account both the current situation and likely future developments.

47. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on October 7, 2021.

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 : 21101858AAAAFO5644

Place: Mumbai

Date: 07th October 2021

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

ATTENDANCE SLIP & PROXY FORM



ATTENDANCE SLIP

15th Annual General Meeting on 22nd November, 2021

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

I hereby record my presence at the 15th Annual General Meeting of the Company held on 22nd November, 2021 at 04:00 P.M. at Hotel Host Inn International, Opp. Marol Fire Brigade, Marol Naka, Andheri Kurla Road, Andheri (E), Mumbai-400059, Maharashtra, India.

Member's Name _____

Proxy's Name _____

Member's/Proxy Signatures _____

Note:

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

FORM NO MGT-11 - PROXY FORM

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

Name of the member(s)			
Registered Address			
E-mail id			
Registered Folio No.			
DP-ID		Client ID	

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

Name:	Email:
Address:	
Signature, or failing him	

Name:	Email:
Address:	
Signature, or failing him	

Name:	Email:
Address:	
Signature, or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the company, to be held on Monday, November 22, 2021 at 04.00 P.M. at Hotel Host Inn International, Opp. Marol Fire Brigade, Marol Naka, Andheri Kurla Road, Andheri (East), Mumbai-400059, Maharashtra, India or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Vote	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the reports of the Board of Directors' and the Auditors' thereon and the Audited consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021.		
2.	To appoint a Director in place of Mr. Ravindra Malinga Hegde (DIN: 01821002), who retires by rotation and being eligible, offers himself for re-appointment as a Director.		

ATTENDANCE SLIP & PROXY FORM



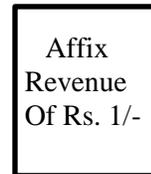
Special Business:			
3.	To appoint Ms. Riddhi Ravindra Hegde as Director of the Company		
4.	To appoint Mr. Girish Gobindram Ramnani as an independent director of the company		
5.	To appoint Mr. Bharat Parshottambhai Kanani as an independent director of the company.		
6.	To approve the issue of Bonus issue		

Signed this ___Day of _____ 2021

Signature of Shareholder_____

Signature of Proxy holder(s)_____

Signature of the Shareholder across Revenue Stamp



Note:

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

ROUTE MAP TO THE VENUE OF AGM

Route map of the venue of AGM

From Marol Naka Metro station to the Venue of the AGM

