

# **ANNUALREPORT**

**FOR THE PERIOD: APRIL, 2017 TO MARCH, 2018**

**OF**

**KHFM HOSPITALITY AND FACILITY  
MANAGEMENT SERVICES LTD.**

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**Add: 1, Nirma Plaza, Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059.**

NAME OF THE ASSESSEE : M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

ADDRESS : 01, NIRMA PLAZA  
MAKWANA ROAD,  
MAROL NAKA, ANDHERI (EAST)  
MUMBAI - 400 059.

STATUS : LIMITED

CIN NO : U74930MH2006PTC159290

P. A . NO. : AACCK7622F

D.O.I. : 27/01/2006

ACCOUNTING PERIOD : 01.04.2017 to 31.3.2018

ASSESSMENT YEAR : 2018-2019

**COMPUTATION OF INCOME**

	Rupees
<b><u>PROFITS &amp; GAINS OF BUSINESS</u></b>	
Net Profit as per Profit & Loss account attached	3,00,48,772
Add : Gratuity Disallowed	14,11,459
Add : Donation Disallowed	<u>92,662</u>
	3,15,52,893
Add : Depreciation as per Companies Act	<u>24,21,599</u>
	3,39,74,492
Less : Depreciation as per Income Tax Act	<u>27,22,213</u>
Net Taxable Income	<u>3,12,52,279</u>
Rounded off u/s. 288 A	<u>3,12,52,280</u>

<b>Tax Liability on</b>	3,12,52,280	78,13,070
<u>Add</u> : Surcharge 7%		<u>5,46,915</u>
		83,59,985
<u>Add</u> : Education Cess 3%		<u>2,50,800</u>
<b>TAX PAYABLE (A)</b>		<u><u>86,10,785</u></u>

OR

<b>TAX PAYABLE U/S 115JB</b>	
PROFIT AS PER P&L Account	3,15,52,893
Less: Provision for FBT	<u>0</u>
BOOK PROFIT FOR 115JB	3,15,52,893
TAX@18.5%	18.50%
	58,37,285
<u>Add</u> : Surcharge 7%	<u>4,08,610</u>
	62,45,895
<u>Add</u> : Education Cess 3%	<u>1,87,377</u>
<b>TAX PAYABLE UNDER SEC 115JB (B)</b>	<u><u>58,37,285</u></u>

<b>Tax Payable Whichever is Higher</b>	86,10,785
<u>Less</u> : TDS	<u>95,63,569</u>
<b>Balance Refundable</b>	<u><u>9,52,780</u></u>



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2018**

Sr. No.	PARTICULARS	NOTE NO.	AMOUNT 31.03.2018 Rs.	AMOUNT 31.03.2017 Rs.
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b><u>SHAREHOLDERS FUNDS</u></b>			
	(a) Share Capital	<b>2</b>	6,75,00,000	67,50,000
	(b) Reserves and Surplus	<b>3</b>	11,55,57,333	15,45,16,075
	TOTAL(1)		18,30,57,333	16,12,66,075
<b>2</b>	<b><u>NON-CURRENT LIABILITIES</u></b>			
	(a) Long Term Borrowings	<b>4</b>	12,17,12,855	8,40,00,878
	(b) Deferred Tax Liabilities (net)	<b>5</b>	6,06,702	10,09,973
	TOTAL(3)		12,23,19,557	8,50,10,851
<b>3</b>	<b><u>CURRENT LIABILITIES</u></b>			
	(a) Short-term borrowings	<b>6</b>	14,98,97,501	13,90,38,197
	(b) Trade Payables	<b>7</b>	1,64,92,970	50,13,254
	(c) Other Current Liabilities	<b>8</b>	3,42,53,542	62,73,793
	(d) Long Term Provisions	<b>9</b>	10,45,115	0
	(e) Short Term Provisions	<b>10</b>	1,73,89,970	86,70,915
	TOTAL(4)		21,90,79,098	15,89,96,158
	<b>TOTAL(1+2+3)</b>		<b>52,44,55,988</b>	<b>40,52,73,084</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b><u>NON-CURRENT ASSETS</u></b>			
	(a) Fixed Assets			
	(i) Tangible Assets	<b>11</b>	2,12,41,079	2,17,58,173
	(b) Long Term Loans and Advances	<b>12</b>	4,81,14,732	4,43,77,962
	(c) Short Term Loans and Advances	<b>13</b>	1,82,34,606	86,71,037
	(d) Non-Current Investments	<b>14</b>	5,00,000	1,85,875
	TOTAL(1)		8,80,90,417	7,49,93,047
<b>2</b>	<b><u>CURRENT ASSETS</u></b>			
	(a) Inventories	<b>15</b>	4,41,754	25,68,772
	(b) Trade Receivables	<b>16</b>	29,99,27,575	26,89,60,427
	(c) Cash and Cash Equivalents	<b>17</b>	1,45,97,015	56,38,802
	(e) Other Current Assets	<b>18</b>	12,03,23,726	5,31,12,035
	(F) Miscellaneous Expenses	<b>19</b>	10,75,500	-
	TOTAL(2)		43,63,65,570	33,02,80,037
	<b>TOTAL(1+2)</b>		<b>52,44,55,988</b>	<b>40,52,73,084</b>

Significant Accounting Policies  
Notes to Financial Statements

1  
2 to 26

AS PER OUR ATTACHED REPORT OF EVEN DATE

**G.R SHETTY & CO.**  
Firm Registration No. - 110093W  
(Chartered Accountants)

For and on behalf of the Board of  
KHFM HOSPITALITY & FACILITY MANAGEMENT  
SERVICES LTD.

**G.R SHETTY**  
Proprietor  
Membership No. - 040599  
Place : Mumbai  
Date : 10.08.2018



*[Signature]*

**RAVINDRA MALINGA HEGDE**  
DIRECTOR  
DIN NO : 01821002

*[Signature]*

**SUJATA RAVINDRA HEGDE**  
DIRECTOR  
DIN NO : 01829352



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

Sri. No.	PARTICULARS	NOTE NO.	AMOUNT 31.03.2018 Rs.	AMOUNT 31.03.2017 Rs.
	<b>REVENUE FROM OPERATIONS</b>			
a	Revenue from Operations	20		
b	Other Income	21	49,93,20,525	45,33,37,570
	<b>TOTAL REVENUE (a+b)</b>		9,45,047	9,46,908
	<b>EXPENSES:</b>			
a	Cost of Materials Consumed	22	50,02,65,572	45,42,84,478
b	Purchases of Stock in trade		3,47,23,538	6,42,71,547
c	Changes in Inventories of Finished goods, work in progress and stock in trade		-	-
d	Employee Benefits and Expenses	23	-	-
e	Finance Costs	24	32,17,77,375	29,93,55,881
f	Depreciation and Amortisation Expenses	25	3,80,82,393	3,13,05,710
g	Other Expenses	26	24,21,599	27,16,963
	<b>TOTAL EXPENSES (a to g)</b>		7,31,00,616	3,01,47,694
			47,01,05,520	42,77,97,795
III	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (I-II)</b>		3,01,60,052	2,64,86,684
IV	Exceptional Items			
V	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		3,01,60,052	-
VI	Prior Period Adjustment A/c.			2,64,86,684
VII	<b>PROFIT BEFORE TAX (V-VI)</b>		1,11,281	-
VIII	<b>TAX EXPENSE</b>		3,00,48,772	2,64,86,684
a	Current Tax			
b	Earlier Years Tax		86,10,785	86,70,915
c	Deferred Tax		50,000	67,810
			(4,03,271)	(86,378)
IX	<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>		2,17,91,258	1,76,61,581
X	Profit/(Loss) from discontinuing operations			
XI	Tax expense of discontinuing operations			-
XII	<b>PROFIT (LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (X-XI)</b>			-
XIII	<b>PROFIT (LOSS) FOR THE PERIOD (IX+XII)</b>			-
XIV	<b>EARNING PER EQUITY SHARE</b>		2,17,91,258	1,76,61,581
a	Basic			
b	Diluted		3.23	26.17
			3.23	26.17

Significant Accounting Policies and  
Notes to Financial Statements

1  
2 to 26

AS PER OUR ATTACHED REPORT OF EVEN DATE

G.R SHETTY & CO.  
Firm Registration No. - 110093W  
(Chartered Accountants)

G.R SHETTY  
Proprietor  
Membership No. - 040599  
Place : Mumbai  
Date : 10.08.2018



For and on behalf of the Board of

KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LTD.

RAVINDRA MALINGA HEGDE  
DIRECTOR  
DIN NO : 01821002

SUJATA RAVINDRA HEGDE  
DIRECTOR  
DIN NO : 01829352



# G. R. SHETTY & CO.

## Chartered Accountants

B/5, Sai Prasad, Telly Gally Cross Lane,  
Andheri (East), Mumbai – 400 069.  
(Tel : 26842788, Fax : 26838994)  
Email: [gr.shetty@rediffmail.com](mailto:gr.shetty@rediffmail.com)



C.A. GOPALKRISHNA SHETTY  
B.COM, LL.B., F.C.A

### INDEPENDENT AUDITOR'S REPORT

To,

The Share Holders of KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED.

#### Report on the Standalone Financial Statements

- (1) We have audited the accompanying standalone financial statements of **KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**, which comprise the Balance Sheet as at **31<sup>st</sup> March, 2018**, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for Standalone Financial Statements

- (2) The Cos. Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation & presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



### Auditor's responsibility

- (3) Our responsibility is to express opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

- (4) An audit involves performing procedures to obtain in audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.
- (5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### Opinion

- (6) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the company as on 31<sup>st</sup> March, 2018
- b) In the case of Statement of Profit & Loss, of the **PROFIT** for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



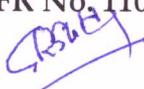
### Report on Other Legal and Regulatory requirements

- (7) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure- A**" statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- (8) As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Refer to our report in **Annexure "B"**)
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed all its pending litigations in the notes to accounts;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For G.R. SHETTY & CO.**  
Chartered Accountants  
ICAI FR No. 110093 W

  
**G.R. SHETTY**  
Proprietor  
M. No. 040599



Date: 10.08.2018  
Place: Mumbai

### Annexure- A to Independent Auditors' Report

Referred to in paragraph '7' under the heading Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

1. In respect of its fixed assets:
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Fixed Assets have been physically verified by the management at reasonable intervals and such verification has revealed no material discrepancies. In our opinion having regard to the size of the Company and nature of its business, the frequency of physical verification of the fixed assets is reasonable.
  - (c) According to the information and explanations given to us, the records of the Company examined by us and subject to confirmation from financial lenders in respect of title deeds/lease deeds deposited with them, the title deeds/lease deeds of immovable properties are held in the name of the Company.
2. The Inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion, the Company has maintained proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification as compared to the book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) to iii (c) of the order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investment, guarantees and security. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable.



5. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
6. As informed to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act in respect of the activities carried on by the Company.
7. In respect of applicable statutory dues, according to the information and explanations given to us:

☞ Undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities. No undisputed statutory dues remaining unpaid as at 31.03.2018 for more than six months from the date they become payable.

☞ There were no dues of Income tax, Sales tax, Service tax, Cess and Customs Duty, Excise Duty and Value Added Tax, which have not been deposited as on 31<sup>st</sup> March, 2018 on account of any dispute except as follows:

Sr. No.	Name of the Statute	Nature of Dues	Amount under Dispute (Rs. In Lacs)	Period to which amount relates	Forum where dispute is pending
1	The Finance Act, 1994	Service Tax	625.79	F.Y. 2007-08 to 2014-15	The Principal Commissioner GST & C. Excise, Mumbai - East

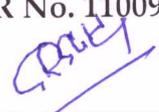
8. In our opinion and according to the information and explanations given to us, the Company has not made any default in the repayment of dues to from facility taken from Bank/Financial Institutions/debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.



10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliances with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standard.
14. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3 (xvi) of the Order is not applicable.



For **G.R. SHETTY & CO.**  
Chartered Accountants  
ICAI F R No. 110093W

  
**G.R. SHETTY**  
Proprietor  
M. No. 040599

Date: 10.08.2018  
Place: Mumbai

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KHFM Hospitality & Facility Management Services Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of KHFM HOSPITALITY & FACILITY MANGEMENT SERVICES LIMITED ("the Company") as of March 31, 2018 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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 Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting, 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 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 over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting 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.

### **Limitations of Internal Financial Controls over Financial Reporting**

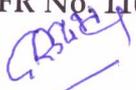
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G.R. SHETTY & CO.  
Chartered Accountants  
ICAI FR No. 110093 W

  
G.R. SHETTY  
Proprietor  
M. No. 040599



Date: 10.08.2018  
Place: Mumbai

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

**1. CORPORATE INFORMATION**

KALPATARU'S HOSPITALITY & FACILITY MANAGEMENT SERVICES Private Ltd. was incorporated in Mumbai on 27<sup>th</sup> January, 2006 and converted into KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES PRIVATE LTD on 18.07.2012 and subsequently convert in to Limited Company on 30.05.2018 as per fresh certificate issued by Registrar of Companies (CIN: U74930MH2006PTC159290) The Company is engaged in business activity of facility management and hospitality services, house keepings, pest control, termite control etc.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Basis for preparation of Financial Statements:**

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified and applicable).

**2.2 Use of estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize

**2.3 Inventories:**

Inventories are valued at the lower of cost ascertained on weighted average cost basis and the net realizable value.

**2.4 Tangible fixed assets**

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes any direct attributable cost for acquisition/installation for bringing the respective assets to working condition for their intended use.



## 2.5 Depreciation/Amortization on tangible assets and intangible assets

Depreciation on tangible assets is provided over the useful lives of assets as estimated by the Company. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives.

## 2.6 Revenue recognition

- (a) Revenue is recognized to the extent that it is probable that the economic Benefits will flow to the Company and the revenue can be reliably measured.
- (b) Revenue from services are recognized as and when services are transferred in Terms of the agreement/arrangements with the parties.
- (c) Revenue from installation services are included in the sales as and when the Service is rendered in terms of the agreement/ arrangements with the parties.
- (d) Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

## 2.7 Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to its present location and condition.

## 2.8 Accounting for Taxes on Income

- (a) Income Tax comprises current and deferred tax. Income Tax is recognized in Statement of income except to the extent that it relates to items recognized directly with in equity or in other comprehensive income. Current Tax is the Expected tax payable on the taxable income for the year, using tax rates Enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- (b) Deferred tax assets and liabilities are recognized, using the balance sheet Method, for the expected tax consequences of temporary differences between The carrying amounts of assets and liabilities and the amounts use for taxation purposes. Deferred tax liabilities and assets are offset if there is legally Enforceable right to offset current tax liabilities and assets, and they relate to Income taxes levied by same tax authority on the same tax entity, or on Different tax entities, but they intend to settle current tax liabilities and assets On a net basis or their tax assets and liabilities will be realized simultaneously.

## 2.9 Investments

Investments are stated at lower of cost and fair value determined on an Individual investment basis.



**2.10 Employees Benefits Accounting**

The company recognized a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation and the obligation can be measured reliably.

**2.11 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of respective asset. All other borrowing costs are expensed in the period they occur.

**2.12 Accounting Changes**

In the absence of explicit transition requirements for new accounting pronouncements, the Company accounts for any change in accounting principle retrospectively.

**2.12 Reclassifications**

Certain items previously reported under specific financial statement captions have been reclassified to conform to the current year presentation.

**2.13 Segment Reporting:**

Based on the guiding principles given in Accounting Standards on Segment Reporting (AS-17) issued by the ICAI and on the basis of Management Certification, the Company's primary business segment is Providing services in facility management and hospitality services. As the Company's business activities falls within a single primary business segment, the disclosure requirements of AS-17 in this regard does not arise.

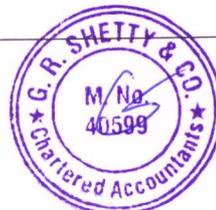
**2.14 Related party disclosures for the F.Y.2017-18**

**(a) Related Parties and their relationship:**

Name of the Party	Relationship
Ravindra Hegde	Director
Mrs. Sujata R. Hegde	Director

**(b) Transactions with the Related Parties and its closing balances**

Name of the Related Party	Nature of Transactions	FY 2017-18 (Rs.)	FY 2016-17 (Rs.)
There is no Transaction with Related Parties during the F.Y. 2016-17 & F.Y. 2017-18			



© Key Management Personal

Name of the Key Personal	Designation
Ravindra Hegde	Director
Mrs. Sujata R. Hegde	Director

2.15 Provisions, Contingent Liability and Contingent Assets

(a) Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are 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. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(b) Contingent Liabilities and Contingent assets: NIL

2.16 OTHER NOTES

a. Managerial Remuneration:

Remuneration paid or provided in accordance with Section 197 of Companies Act, 2013 to Managing Director and whole time Director is as under:

Particulars	FY 2017-18	FY 2016-17
	Rupees	Rupees
Directors Remuneration	24,00,000	24,00,000

b. Payment to Auditors:

Particulars	FY 2017-18	FY 2016-17
	Rupees	Rupees
Statutory Audit	1,70,000	1,10,000



**c. Share Premium & Issue of Bonus Shares:**

During the F.Y.2017-18 following bonus shares have been issued through share premium account & Free Reserve.

**Share Premium Account:**

Particulars	Amount (Rs.)
Opening Balance of Share Premium A/c as on 01.04.2017	1,31,25,000
Less: Share Premium utilized for issue of bonus shares	1,31,25,000
Closing Balance as on 31.03.2018	-

**Surplus & Free Reserve:**

Particulars	Amount (Rs.)
Opening Balance of Share Premium A/c as on 01.04.2017	14,13,91,075
Add: Surplus during the F.Y. 2017-18	2,10,21,626
Less: Surplus utilized for issue of bonus shares	4,76,25,000
Closing Balance as on 31.03.2018	11,47,87,701

**c. Expenditure in Foreign currency:**

The Company has not incurred any expenditure in foreign currency during the year.



NAME OF THE ASSESSEE : M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED

ADDRESS : 01, NIRMA PLAZA  
MAKWANA ROAD,  
MAROL NAKA, ANDHERI (EAST)  
MUMBAI - 400 059.

STATUS : LIMITED

CIN NO : U74930MH2006PTC159290

P. A. NO. : AACCK7622F

D.O.I. : 27/01/2006

ACCOUNTING PERIOD : 01.04.2017 to 31.3.2018

ASSESSMENT YEAR : 2018-2019

**COMPUTATION OF INCOME**

**PROFITS & GAINS OF BUSINESS**

Net Profit as per Profit & Loss account attached		3,00,48,772	
Add : Gratuity Disallowed		14,11,459	
Add : Donation Disallowed		92,662	
		<u>3,15,52,893</u>	
Add : Depreciation as per Companies Act		24,21,599	
		3,39,74,492	
Less : Depreciation as per Income Tax Act		27,22,213	3,00,614
		<u>3,12,52,279</u>	
	Net Taxable Income	<u>3,12,52,280</u>	
	Rounded off u/s. 288 A	<u>3,12,52,280</u>	

Tax Liability on	3,12,52,280	78,13,070
Add : Surcharge 7%		5,46,915
		83,59,985
Add : Education Cess 3%		2,50,800
<b>TAX PAYABLE (A)</b>		<u>86,10,785</u>

OR

**TAX PAYABLE U/S 115JB**

PROFIT AS PER P&L Account		3,15,52,893
Less: Provision for FBT		0
BOOK PROFIT FOR 115JB		3,15,52,893
TAX@18.5%	18.50%	58,37,285
Add : Surcharge 7%		4,08,610
		62,45,895
Add : Education Cess 3%		1,87,377
<b>TAX PAYABLE UNDER SEC 115JB (B)</b>		<u>58,37,285</u>

**Tax Payable Whichever is Higher**

Less : TDS		86,10,785
		95,63,569
<b>Balance Refundable</b>		<u>9,52,780</u>



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**  
**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2018**

NOTE NO.	PARTICULARS	AMOUNT 31.03.2018	AMOUNT 31.03.2017
2	<b>SHARE CAPITAL:</b>		
	<b>AUTHORISED:</b>		
	7,50,000 Equity Shares OF Rs.10/-EACH	0	7,500,000
	1,20,00,000 Equity Shares OF Rs.10/-EACH	120,000,000	-
	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
	Shares at the beginning of the accounting period		
	6,75,000 Equity Shares of Rs.10/-Each	6,750,000	6,750,000
	Additions made during the year		
	60,75,000 Equity Shares of Rs.10/-each (Refer Note)	60,750,000	-
	Shares at the end of the accounting period	<u>67,500,000</u>	<u>6,750,000</u>

2(A)

Particulars	Equity Shares	
	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	675,000	6,750,000
Bonus Shares Issued during the year	6,075,000	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	6,750,000	6,750,000

2(B)

SR NO	Name of Shareholder	As At 31.03.2018		As At 31.03.2017	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	RAVINDRA MALINGA HEGDE	5,805,000	86.000%	580500	86.000%
2	SUJATA RAVINDRA HEGDE	945,000	14.000%	94500	14.000%
		6,750,000	100.000%	675000	100.000%

Note: During the current financial year the Company has issued bonus equity shares in the ratio of 1:9 to its existing shareholders, as approved by the shareholders in the meeting held on 16.03.2018. The Book closure date fixed by the Board was 16.03.2018.

3

**RESERVE & SURPLUS:**

**A SECURITY PREMIUM A/C**

At the beginning of the accounting period	13,125,000	13,125,000
Less: Utilized for issuance of bonus equity shares	13,125,000	-
At the end of the accounting period	<u>a 0</u>	<u>13,125,000</u>

**b SURPLUS**

At the beginning of the accounting period	141,391,075	123,729,495
Additions during the year		
Profit from Profit and Loss a/c	21,791,258	17,661,581
Amounts transferred from		
- General Reserve	-	-
- Revaluation Reserve	-	-
Transferred to General Reserve - Bonus	47,625,000	-
At the end of the accounting period	<u>b 115,557,333</u>	<u>141,391,075</u>
	<u>115,557,333</u>	<u>154,516,075</u>



NOTE NO.	PARTICULARS	AMOUNT	
		31.03.2018	31.03.2017
4	<b>LONG TERM BORROWINGS</b>		
	Long Term Loan (Secured & Unsecured)	9,17,12,855	5,66,65,851
	SIDBI (Including Interest due)	<u>3,00,00,000</u>	<u>2,73,35,027</u>
		<b><u>12,17,12,855</u></b>	<b><u>8,40,00,878</u></b>
5	<b>DEFERRED TAX LIABILITIES</b>		
	At the beginning of the accounting period	10,09,973	9,23,595
	Additions during the year	<u>4,03,271</u>	<u>86,378</u>
		<b><u>-6,06,702</u></b>	<b><u>10,09,973</u></b>
6	<b>SHORT TERM BORROWINGS</b>		
	Apna Sahakari Bank Ltd. - 129	13,68,46,169	12,52,20,949
	Deutsche Bank - OD - 50019	<u>1,30,51,332</u>	<u>1,38,17,247</u>
		<b><u>14,98,97,501</u></b>	<b><u>13,90,38,197</u></b>
7	<b>TRADE PAYABLES</b>		
	Sundry Creditors	<u>1,64,92,970</u>	<u>50,13,254</u>
		<b><u>1,64,92,970</u></b>	<b><u>50,13,254</u></b>
8	<b>OTHER CURRENT LIABILITIES</b>		
	TDS and Other Statutory Dues	<u>3,42,53,542</u>	<u>62,73,793</u>
		<b><u>3,42,53,542</u></b>	<b><u>62,73,793</u></b>
9	<b>LONG TERM PROVISIONS</b>		
	Provision for Gratuity	<u>10,45,115</u>	-
		<b><u>10,45,115</u></b>	<b><u>-</u></b>
10	<b>SHORT TERM PROVISIONS</b>		
	Provision for Tax	1,72,81,700	86,70,915
	Provision for Gratuity	<u>1,08,270</u>	-
		<b><u>1,73,89,970</u></b>	<b><u>86,70,915</u></b>



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**  
**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2018**

NOTE NO.	PARTICULARS	AMOUNT 31.03.2018	AMOUNT 31.03.2017
<b>12</b>	<b><u>LONG TERM LOANS AND ADVANCES:</u></b>		
(a)	Security Deposits		
	Secured, considered good	4,78,59,985	4,40,73,215
	Unsecured, considered good	2,54,748	3,04,748
	<b>a</b>	<u>4,81,14,732</u>	<u>4,43,77,962</u>
(b)	Loans and Advances to employees		
	Unsecured, considered good	0	-
	<b>b</b>	<u>0</u>	<u>-</u>
(d)	Balance with Government Authorities		
	(i) VAT Refund due	0	-
	<b>c</b>	<u>0</u>	<u>-</u>
	<b>GRAND TOTAL</b>	<b>a+b+c</b> <u>4,81,14,732</u>	<u>4,43,77,962</u>
<b>13</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	Short Term Loans & Advances	1,82,34,606	86,71,037
		<u>1,82,34,606</u>	<u>86,71,037</u>
<b>14</b>	<b><u>NON-CURRENT INVESTMENTS</u></b>		
	Share in Apna Bank	5,00,000	1,85,875
		<u>5,00,000</u>	<u>1,85,875</u>
<b>15</b>	<b><u>INVENTORIES</u></b>		
	<b>s</b>		
(a)	Raw Materials	0	-
(b)	Finished Goods	0	-
(c)	Stock in Trade	4,41,754	25,68,772
(d)	Components and Accessories	0	-
		<u>4,41,754</u>	<u>25,68,772</u>
<b>16</b>	<b><u>TRADE RECEIVABLES:</u></b>		
	(Unsecured considered good unless otherwise stated)		
(1)	Debts Outstanding For A Period Exceeding Six Months From The Date They Are Due	4,74,56,791	3,11,50,960
(2)	Other Debts	25,24,70,783	23,78,09,468
		<u>29,99,27,575</u>	<u>26,89,60,427</u>
<b>17</b>	<b><u>CASH &amp; CASH EQUIVALENTS :</u></b>		
	<b>CASH IN HAND</b>	59,14,084	17,06,545
	<b>BALANCE WITH BANKS</b>		
	In Current Accounts	86,82,931	39,32,257
	Balance held as margin money	0	-
		<u>1,45,97,015</u>	<u>56,38,802</u>
<b>18</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Site Advances	8,69,98,739	2,43,50,350
	Advance to Staff	1,17,50,000	1,02,50,000
	Loans & Advances	2,15,74,987	1,85,11,685
		<u>12,03,23,726</u>	<u>5,31,12,035</u>



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**  
**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2018**

NOTE NO.	PARTICULARS	AMOUNT	AMOUNT
		31.03.2018	31.03.2017
19	<b>Miscellaneous Expenses</b> <i>(Not Written off or adjusted to the extent)</i>		
	Preliminary Expenses	10,75,500	-
	Less: Written off durin the year	-	-
		<u>10,75,500</u>	<u>-</u>
20	<b><u>REVENUE FROM OPERATIONS</u></b>		
	Sale of Services	49,93,20,525	45,33,37,570
		<u>49,93,20,525</u>	<u>45,33,37,570</u>
21	<b><u>OTHER INCOME:</u></b>		
	Rent Received	3,75,000	2,13,058
	Dividend	0	50,001
	Interest accrued on Fixed Deposit	5,70,047	6,83,849
		<u>9,45,047</u>	<u>9,46,908</u>
22	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Opening Stock	25,68,772	73,82,693
	Add : Purchases	3,25,96,520	5,94,57,626
		3,51,65,292	6,68,40,319
	Less : Closing Stock	4,41,754	25,68,772
		<u>3,47,23,538</u>	<u>6,42,71,547</u>
23	<b><u>EMPLOYEE BENEFITS AND EXPENSES</u></b>		
	Salary and Wages	26,37,40,265	24,17,73,219
	Contribution to PF and other funds	5,71,86,778	5,60,18,720
	Workers and Staff welfare	8,50,332	15,63,942
		<u>32,17,77,375</u>	<u>29,93,55,881</u>
24	<b><u>FINANCIAL COSTS:</u></b>		
	Bank Interest	3,03,59,189	2,86,13,341
	Bank Charges, Commission & Processing Fees	77,23,204	26,92,369
		<u>3,80,82,393</u>	<u>3,13,05,710</u>
25	<b><u>DEPRECIATION AND AMORTIZATION EXPENSES:</u></b>		
	Depreciation	24,21,599	27,16,963
	Preliminary Expenses written off	-	-
		<u>24,21,599</u>	<u>27,16,963</u>



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**  
**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2018**

NOTE NO.	PARTICULARS	AMOUNT	AMOUNT
		31.03.2018	31.03.2017
26	<b><u>OTHER EXPENSES:</u></b>		
	Advertisement expenses	3,99,745	7,07,330
	Audit Fees	1,70,000	1,10,000
	Computer & Printer Exp.	33,054	1,01,301
	Donation	92,662	0
	Directors Remuneration	24,00,000	24,00,000
	Drycleaning Exp.	2,73,877	3,14,638
	GST	4,24,85,064	0
	Insurance	18,62,041	1,00,349
	Labour Charges	15,226	5,400
	Membership and subscription	1,00,135	73,345
	Miscellaneous expenses	3,389	5,69,442
	Office expenses	12,61,481	2,92,268
	Postage and courier	56,753	50,318
	Power and fuel	5,17,966	7,78,150
	Professional Charges	15,29,998	6,25,004
	Printing and stationery	2,34,929	2,81,441
	Rent Including Lease Rentals	1,30,030	4,92,412
	Repairs and maintenance	10,45,986	15,96,233
	Sales Promotion	0	50,988
	Service Tax	47,75,367	54,77,719
	Site Expenses	1,34,98,888	1,36,81,608
	Tender Fees	1,27,236	4,54,610
	Telephone Charges	84,954	1,03,795
	Transport Charges	8,75,790	2,51,159
	Travelling and conveyance	8,75,582	7,03,224
	Uniform Expenses	2,16,252	5,58,255
	VAT	0	3,68,706
	Works Contract Tax	34,211	0
		<u>7,31,00,616</u>	<u>3,01,47,694</u>



**M/s. KHFM HOSPITALITY & FACILITY MANAGEMENT SERVICES LIMITED**

Notes forming part of the financial statements

**Note 11 Fixed assets**

A. Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2017	Additions	Sales/Other adjustments	Balance as at 31 March, 2018	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Sales/Other adjustments	Balance as at 31 March, 2018	Balance as at 31 March, 2018	Balance as at 31 March, 2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Buildings Factory Premises Office Premises	99,63,420	-	-	99,63,420	23,79,109	3,79,216	-	27,58,324	72,05,096	75,84,311
(b) Plant and	2,68,76,796	18,15,937	-	2,86,92,733	1,32,79,410	19,03,930	-	1,51,83,340	1,35,09,392	1,35,97,385
(c) Furniture and	7,32,530	-	-	7,32,530	4,60,090	49,312	-	5,09,401	2,23,129	2,72,440
(d) Vehicles	51,55,908	-	-	51,55,908	49,21,252	60,752	-	49,82,004	1,73,904	2,34,656
(e) Office equipment	3,75,561	-	-	3,75,561	3,51,999	3,278	-	3,55,276	20,285	23,562
(f) Computers	5,72,267	88,569	-	6,60,836	5,26,449	25,112	-	5,51,561	1,09,274	45,818
<b>Total</b>	<b>4,36,76,482</b>	<b>19,04,506</b>	<b>-</b>	<b>4,55,80,987</b>	<b>2,19,18,309</b>	<b>24,21,599</b>	<b>-</b>	<b>2,43,39,908</b>	<b>2,12,41,079</b>	<b>2,17,58,173</b>
Previous Year Figures	4,32,98,606	3,77,876	-	4,36,76,482	1,92,01,345	27,16,963	-	2,19,18,309	2,17,58,173	2,40,97,261



**KHFM HOSPITALITY & FACILITY MAN. SERV LTD.**

**INCOME-TAX ASSESSMENT YEAR 2018-19**  
**STATEMENT SHOWING ADMISSIBLE DEPRECIATION UNDER SECTION 32(1)**

DESCRIPTION	Rate (%)	Opening WDV as on 01.04.17	Additions Before 30th September	Additions after 30th September	Deletion During the year	Gross As at 31.3.2018	Dep. During the year	WDV as at 31.03.2018
1. Plant & Machinery	15.00%	12631013	0	18,15,937	-	14446950	2030847	12416103
2. Furniture	10.00%	448417	-	-	-	448417	44842	403575
3. Motor Car	15.00%	932406	-	-	-	932406	139861	792545
4. Office Equip.	10.00%	23451	-	-	-	23451	2345	21106
5. Computers	60.00%	21857	-	88,568.66	-	110426	39685	70741
6. Office Premises	10.00%	4646336	-	-	-	4646336	464634	4181702
		<b>18703480</b>	<b>0</b>	<b>19,04,505.66</b>	<b>-</b>	<b>20607986</b>	<b>2722213</b>	<b>17885772</b>



**Break-up of Notes appearing in Balance Sheet as at 31st March,2018**

**Long Term Borrowings**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	<b>Secured Loans</b>		
	Deutsche Bank - Oberoi Splendor	93,59,780	1,00,67,275
	Pnb Housing Finance Limited	57,90,873	59,68,308
	Apna Sahakari Bank Ltd. - PMLN-171	15,90,757	32,61,158
	Apna Sahakari Bank Ltd. - PMLN-178	13,75,855	0
	Apna Sahakari Bank Ltd. - LBLN-121	1,06,23,569	1,32,42,666
	Apna Sahakari Bank Ltd. - LBLN-126	46,18,301	0
	Apna Sahakari Bank Ltd. - AMLN/61	87,75,402	94,35,898
	(a)	<b>4,21,34,536</b>	<b>4,19,75,305</b>
	<b>Unsecured Loans</b>		
	BAJAJ Finance Ltd	25,00,000	-
	Bajaj Finserv.	11,23,482	16,89,342
	Capital First Limited	17,71,768	-
	Capital Flot	30,05,572	-
	Dewan Housing Finance	32,74,471	-
	Deutsche Bank	35,45,804	-
	Equitas Small Finance Bank Ltd	28,06,750	-
	Fullteron	2,23,125	14,04,588
	HDFC Bank	19,18,165	-
	HDFC Bank - New	0	28,00,221
	Incred - Visu Leasing	18,68,743	-
	IIFL	7,66,738	23,78,874
	India Bulls	27,07,752	-
	IndusInd Bank	37,40,106	-
	Intelle Cash Micro Fin Network	23,35,914	-
	Kotak Mahindra Bank	18,62,531	-
	Kotak Mahindra Bank	-	9,55,300
	KOTAK MAHINDRA BANK LTD	-	9,06,666
	Magma Finance	35,79,850	-
	Neo Growth Credit	-	14,06,160
	Neo Growth Credit Pvt Ltd	7,41,791	-
	Religare Finvest Pvt. Ltd.	-	18,85,629
	Religare Finvest Pvt. Ltd.	19,24,826	-
	Shriram City Union Finance Ltd - 20Lacs	24,10,991	-
	Tata Capital Financial Services Ltd.	17,98,273	-
	The Ratnakar Bank Ltd - 25Lcs	-	4,36,391
	United Petro Finance	-	8,27,374
	United Petro Finance	40,00,000	-
	Urmila Investment & Securities Pvt Ltd	16,71,667	-
	(a)	<b>4,95,78,318</b>	<b>1,46,90,546</b>
	<b>Total</b>	<b>9,17,12,855</b>	<b>5,66,65,850</b>

**Trade Payables**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	A1 Mutton & Chicken Centre	53,110	0
	Akhila Water Supply & Earth Movers	44,100	0
	Angel General Stores	92,542	0
	A-One Metals	7,500	0
	AP Enterprises	40,750	0
	A Rehman I Shaikh	53,165	0
	Ashlok Printers	12,125	0
	Atique Food Products	21,340	0
	Bhagubhai Bhikanbhai Mistry	80,404	0
	Bharati Cycle Co.	52,400	0
	Challenge Marketing	88,740	0
	Chand Ali Siddiqui	47,180	24,320
	Chandanben Shankarbhai Bhadbhutwala	1,38,180	0
	Chandrakant & Co.	3,000	0
	CR Sons	7,536	0
	Darya Mahal Florist	9,800	0
	Derick Roadways	4,800	0
	Dhara Agency	35,118	0
	Dolamani Naik	0	2,31,333
	Diyos Infotech Private Ltd	1,16,170	0
	Deep Dry Cleaners	-1,289	0
	Faiz Exports	9,87,188	0
	Fazlul Khan	8,500	0
	Fatechand Ogarmal & Co	22,374	0
	Ganesh Shankar Kadam	89,934	0
	Gayatri Traders	1,02,657	0
	G.K & Sons	20,36,244	0
	Google India Private Limited	3,12,198	0
	Guru Consultants Pvt Ltd	14,106	0
	G.R Shetty	1,67,500	2,28,000
	Garble Products	0	0
	Haji Abdulbhai Chandbhai Master	8,85,415	0
	Hindustan Road Equipment	0	1,07,025
	Hanuman Tractor	0	21,720
	Health Care	33,862	1,09,624
	Ideal Enterprises	4,374	0
	Jairam Jaiswal	9,48,330	5,44,030
	Jagannath Traders	48,750	0
	Jagdish Pokale	5,097	0
	Jemwil Farm	1,28,770	0



Jeel Holidays LLP	2,605	0
Kanyakumari Indane Service	0	1,09,825
KBA Infrastructure	0	6,69,827
Krupa Agrotech	0	3,06,426
Kudav Sanitary Traders	51,573	0
Lalit Jain & Co.	0	8,95,631
Lawncare Equipments	5,442	0
Manisha Corpn	5,25,554	8,84,687
Mahalaxmi Kitchneware	43,875	0
Mak Trading Company	24,734	0
Manhar Mill Stores	4,823	0
Manilata Enterprises	10,146	0
Marcus Dcosta	91,616	0
Miracle Technologies	4,420	0
Modi Motilal Gababhai	6,61,388	0
Mohammadtaha Iqbalhusen Katlariwala	6,60,079	0
Nafisabanu Mazharhussain Sahabkhan	9,33,671	0
Nagraja Stores	1,54,579	0
Nandkumar Maruti Tamore	0	0
Narmada Industries	66,308	0
Nayak Engineering Pvt Ltd	12,830	0
New Nawab Agency	2,48,693	0
Nilkanth Agency	67,448	0
Nisar Dadabhai Kureshi	3,14,756	0
N Rahman (ICF)	96,000	0
Patel Ilyas Yusuf	2,12,100	0
Perfect Scale Sales & Service	13,440	0
Popular Bakewell	12,200	0
Purohit Food Products Pvt Ltd	11,575	0
Quick Clean Washing Co	64,968	22,108
Radhe Traders	2,04,630	0
Raj Enterprises	2,84,325	0
Rapid Chemicals	82,021	0
Rashtriya Mulnivasi Bahujan Karmachari Sangh	7,000	0
Rushabh Enterprises	1,90,319	0
Rosy Tailors	14,630	0
Saam Agencies	2,70,000	0
Sadguru Consultancy & Serv.	1,48,550	0
Sai Chaitrali Construction & Services	13,000	0
Sai Krishna Provision & Fancy	1,71,590	0
Saira Mohammediqbal Holia	3,13,316	0
Sai Super Stores	3,27,388	0
Sai Traders	1,66,701	4,83,144
Sakthi Gas Agency	1,02,130	0
Shettigar & Co.	65,000	40,000
Shoeb General Stores	57,633	0
Shree Mallikarjun Sales & Service	7,09,017	0
Shree Siddhivinayak Laundry Services	3,200	0
Sri Lakshminarayan Furniture	22,331	0
Sri Swarnambiga & Co.	84,800	0
Sri Venkata Durga Vegetables	23,959	0
Sri Devi Industries	20,460	0
S. R Khader Shareef	2,55,514	0
SRS Business Machines (P) Ltd	2,065	0
Standard Traders	1,88,102	0
Sumaitri Trading Co.	1,550	0
Surya Kiran Industries Pvt Ltd	6,825	0
S.V Fabric Washing Services	0	0
The Corporate Housekeeping	0	3,08,034
Tarapur Site	8,714	0
Unique Cleaning Products	96,156	0
Unique Automobiles	35,520	27,520
Urgent Computer	3,800	0
Vardhman Traders	12,58,237	0
Vedanth Tours & Travels	4,325	0
Veerababu Fruits Supply Company	12,670	0
Vikas Stationery Stores	2,12,282	0
Vinay Manohar Tamore	1,59,689	0
Vijaya Shetty	-40,000	0
Welcome Milk	7,730	0
Taye Balley Ibrahim & Sons - Antariksh	1,000	0
<b>Total</b>	<b>1,64,92,970</b>	<b>50,13,254</b>

**Other current liabilities**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	<b>Statutory Dues</b>		
	E.S.I.C. Payable	23,50,578	2,56,559
	Provident Fund Payable	37,32,372	51,91,863
	Service Tax	0	4,82,197
	GST Payable	2,76,50,608	0
	TDS Payable A.Y. 2018-19	2,19,984	-
	TDS Payable A.Y. 2017-18	0	3,43,174
		<b>3,39,53,542</b>	<b>62,73,793</b>
	<b>Deposit Against Rent</b>		
	Security Deposit-(ANTARIKS)	3,00,000	-
		<b>3,00,000</b>	<b>0</b>
	<b>Due to Directors</b>		
	Ravindra Hegde	-	-
	Sujata Hegde	-	-
		<b>0</b>	<b>0</b>
	<b>Total</b>	<b>3,42,53,542</b>	<b>62,73,793</b>



**Short Term Provisions**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	<b>Provision for Expenses</b>		
	Salary & Wages	-	-
	Electricity	-	-
	Telephone Charges	-	-
		0	0
	Provision for Tax A.Y. 2017-18	86,70,915	86,70,915
	Provision for Tax A.Y. 2018-19	86,10,785	0
		1,72,81,700	86,70,915
	<b>Total</b>	<b>1,72,81,700</b>	<b>86,70,915</b>

**Long-term loans and advances**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	<b>Security Deposit</b>		
	<b>Secured, considered good</b>		
	EMD	1,15,72,905	1,13,70,354
	Fixed Deposit	94,36,838	89,26,612
	Recurring Deposit	16,17,396	13,47,396
	Security Deposit & Retention	2,52,32,846	2,24,28,852
		4,78,59,985	4,40,73,215
	<b>Unsecured, considered good</b>		
	Income Tax Paid (A.Y. 12-13) Toward Assessment	0	50,000
	Income Tax Refundable	2,54,748	2,54,748
		2,54,748	3,04,748
	<b>Loans and advances to employees</b>		
	<b>Unsecured, considered good</b>		
		-	-
	<b>Total</b>	<b>4,81,14,732</b>	<b>4,43,77,962</b>

**Short-term loans and advances**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	TDS Receivable A.Y. 2018-19	95,63,569	0
	TDS Receivable A.Y. 2017-18	86,71,037	86,71,037
	<b>Total</b>	<b>1,82,34,606</b>	<b>86,71,037</b>



## Trade Receivable

S. No.	PARTICULARS	As at 31 March, 2018	As at 31 March, 2017
	<b>Unsecured, considered good</b>		
	<b>Outstanding More than six months</b>		
	BMC Municipal of Greater Bombay	1,19,27,207	0
	Central Bank of India	24,252	0
	Delhi Judicial Academy-Dwarka	1,04,830	0
	Delhi Secretariate New Delhi	24,34,396	0
	Essel World	18,18,249	18,18,249
	Matunga Rly Station	2,43,818	2,43,818
	Mazgaon Dock Limited (North Yard)	8,88,704	8,88,704
	Mumbai Int. Airport Ltd. - Old	18,69,712	18,69,712
	Royal Palm	9,14,957	9,14,957
	Sahara India	32,52,373	32,52,373
	Yashwantrao Chavan Academy - Yashda (Pune)	47,17,513	47,17,513
	Shree Namokarinternational Pvt Ltd		0
	Southern Railway (Cannore)	16,51,273	16,51,273
	Southern Railway (Calicut)		12,44,130
	Southern Railway (Erode)	47,605	47,605
	Southern Railway (Shoranur)	0	15,40,992
	Dr. Babasaheb Ambedkar Hospital	55,30,668	55,30,668
	Delhi Judicial Academy-Dwarka		0
	Delhi Secretariate New Delhi		0
	Hindustan Zinc Limited - Chittogarh	23,24,400	23,24,400
	Indian Space Research Org- ISRO	6,418	6,418
	INTERLINK COMMUNICATION	16,48,304	16,49,452
	Kalyan Garden	25,975	25,975
	Kalyan Railway Station	5,45,397	5,45,397
	Maharashtra State Elec. Dist. Co. Ltd. - MSEDCL	429	429
	Mahindra World City	8,97,667	8,97,667
	Mangalore Refinery & Petrochemicals - MRPL	78,860	78,860
	MANMAD - COACHING COMPLEX	2,87,514	2,87,514
	MANMAD RLY STATION	14,48,806	14,48,806
	National Aviation Co. of India - Air India	56,328	56,328
	National Green Tribunal (NGT)	2,29,910	0
	Shree Namokarinternational Pvt Ltd	14,547	0
	Sahil Sarovar - Phadnis Resort	8,93,468	0
	Tata - Jamshedpur	1,65,554	0
	Teerthankar Mahavir University - Morabad	14,16,552	0
	Tis Hazari Court	14,50,720	0
	Utility Powertech - NTPC Ramagundam	27,345	0
	Vedanta Aluminium Ltd - Store	1,07,402	1,07,402
	Vedanta Aluminium Ltd - Lanjigarh	4,03,320	0
	Veear Property Developers (R-Mall)	2,319	2,319
		<b>4,74,56,791</b>	<b>3,11,50,960</b>
	<b>Others</b>		
	Ahmedabad Airport	37,18,323	56,13,205
	Air India	5,03,096	4,36,729
	Anupur & Shadol Railway Station		36,38,187
	Atul Projects India Ltd	37,789	2,73,810
	BARC Chembur	7,43,676	-40,828
	Betul Railway Station	1,88,158	83,001
	Bhuswal Rly Station	28,30,910	28,39,885
	BMC Municipal of Greater Bombay	0	70,22,557
	Box Boy Nagpur	1,16,361	4,87,690
	Central Bank of India -Pest Control		24,252
	Delhi Judicial Academy-Dwarka		1,04,830
	Delhi Secretariate New Delhi		24,34,396
	Dena Corporate Centre	0	-9,522
	Derive Trading Pvt. Ltd	30,23,415	26,32,204
	Food Corporation of India	19,540	9,40,472
	Geological Survey of India	0	5,01,946
	GMR - Hyderabad Int. Airport Ltd	32,02,871	-63,462
	Hindustan Coca-Cola	2,05,714	5,73,735
	HDFC LTD	2,48,400	0
	IDBI Bank	83,233	2,26,175
	Indiana Cable Trays	3,506	19,554
	Indiana Conveyors Pvt Ltd	50,273	56,671
	Indiana Engineering Workspvt Ltd	4,164	23,499
	Indiana Grating Pvt Ltd	1,39,219	3,23,617
	Indiana International	2,066	7,499
	Integral Coach Factory - ICF	53,29,392	47,79,086
	ISRO (Shriharikota)	29,75,641	0
	J.P Tradelink	8,28,000	0
	Kalyan Garden - BARC	0	-14,003
	Lanco Hills Tech	2,51,369	0
	Maharashtra State Elec. Dist. Co. Ltd. - MSEDCL	0	1,29,614
	Mantralaya - Sahyadri & Nandagiri	1,01,89,577	87,81,106
	Marathe Hospitality	12,88,051	3,34,357
	MMS Maritime (India) Pvt. Ltd.	1,29,614	0
	National Academy of Direct Tax	18,53,460	15,049
	National Green Tribunal	0	2,29,910
	NMMC - Mhape & Nerul	0	2,78,911
	Nuclear Power Corp. India Ltd. (NPCIL)	5,33,49,364	6,45,85,127
	One Recharge Cafes	31,616	26,751
	ONGC	3,96,85,737	0
	Pan India Paryatan Pvt. Ltd.	30,68,264	15,98,575
	Patna	96,52,984	82,55,599
	Quantum Project Infra	42,341	35,183
	Reliable Global Exim	7,463	0
	Reliable Tran & Impex Serv. Pvt Ltd	6,844	0



Rupal Consulting	0	8,795
Sahil Sarovar	0	8,93,468
Sai Service Station Ltd.	3,81,095	4,24,544
Sesa Sterlite Ltd	1,52,22,852	1,82,79,201
SDSC Shar	11,51,404	2,48,339
SGN Ventures Pvt Ltd	0	14,547
Shree Namokarinternational Pvt Ltd	0	14,547
Shipping Corporation of India - POWAI	2,62,499	6,69,968
Southern Railway (Calicut)	7,62,954	0
Southern Railway (Shoranur)	4,52,765	0
Tata - Jamshedpur	0	1,65,554
Tirupati & Tirumala	3,69,20,462	3,68,18,628
Tata Institute If Fundamental Research-TIFR	41,315	-3,524
Tata Institute of Social Sciences -TISS	1,05,16,070	1,33,68,601
Teerthankar Mahavir University - Morabad	0	14,16,552
Thane Municipal Corp. - TMC	4,18,05,000	4,45,49,539
TIS HAZARI COURT - Delhi	0	14,50,720
Utility Powertech Ltd. - Enron	12,07,195	12,80,578
Utility Powertech Ltd. - Grasscutting	99,515	2,84,434
Utility Powertech Ltd. - NTPC - Ramagundam	0	27,345
Utility Powertech Ltd - Pest Control	60,321	0
Vedanta Aluminium Ltd. - Lanjigarh	0	4,03,320
Western Rly - 9 Station	-2,39,260	0
Western Rly - Office & Rest House	18,165	3,08,946
	25,24,70,783	23,78,09,468
<b>Total</b>	<b>29,99,27,575</b>	<b>26,89,60,427</b>

**Balances with Bank**

S. No.	PARTICULARS	As at 31 March,2018	As at 31 March,2017
	<b>In current account</b>		
	Apna Bank Ltd. - CD - 2630	76,595	1,57,378
	Central Bank of India	35,909	12,311
	HDFC Bank	4,82,463	3,38,504
	ICICI Bank	22,71,939	2,46,497
	IDBI Bank	0	7,505
	ORIENTAL BANK OF COMMERCE	7,309	29,258
	State Bank of Bikaner	4,92,909	1,25,188
	State Bank of India	3,061	7,634
	State Bank of India - Sriharikota	8,48,180	29,89,120
	State Bank of India - Sakinaka	1,99,691	0
	State Bank of Mysore	42,46,717	0
	The Bharat Co-op. Bank Ltd	15,996	16,645
		2,163	2,218
	<b>Total</b>	<b>86,82,831</b>	<b>39,32,257</b>





Hospitality & Facility Management Services

CIN : U74930MH2006PLC159290

ISO 9001 : 2008  
ISO 14001 : 2004  
OHSAS 18001 : 2007

**OUR SERVICES :**

- ◆ Housekeeping Mgmt.
- ◆ Guest House Mgmt.
- ◆ Property Mgmt.
- ◆ Pest Control Mgmt.
- ◆ Front Office Mgmt.
- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgmt.
- ◆ Catering / Pantry Mgmt.

**"YOUR IMAGE IS OUR BUSINESS"**

**DIRECTORS' REPORT**

To  
The Members,  
KHF M HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED

Your Directors have pleasure in presenting the 12th Directors' Report and the Audited Statements of Accounts for the financial year ended March 31, 2018.

**FINANCIAL RESULTS**

(Amount in Rs.)

PARTICULARS	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from Operation	499,320,525	453,337,570
Other Income	945,047	946,908
Total Income	500,265,572	454,284,478
Net Profit before Depreciation and Tax	32,581,651	29,203,647
Less: Depreciation	2,421,599	2,716,963
Less: Prior Period Adjustment A/c.	111,281	-
Net Profit before Tax	30,048,772	26,486,684
Less: Current Tax	8,610,785	8,670,915
Deferred Tax	403,271	(86,378)
Earlier Years Tax	50,000	67,810
Net Profit after Tax	21,791,258	17,661,581

**DIVIDEND:**

To conserve the funds for the future business expansion, your Directors regret their inability to recommend any dividend for the period.

**REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:**

Your Directors wish to present the details of Business operations done during the year under review:

- During the Year, Net revenue from operations of the Company increased by 10.14% from Rs. 45.33 Crores to Rs. 49.93 Crores.

**KHF M Hospitality & Facility Management Services Ltd.**

REGD. OFFICE : 01, "NIRMA PLAZA, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059.

MOBILE : +91 9987870000, +91 9987574333 HELLO : +91-22-28511234, +91-22-28514141

Tele Fax : +91-22-2859 1483 Email : sales@khfm.in Website : www.khfm.in



**OUR SERVICES :**

- ◆ Housekeeping Mgmt.
- ◆ Guest House Mgmt.
- ◆ Property Mgmt.
- ◆ Pest Control Mgmt.
- ◆ Front Office Mgmt.
- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgmt.
- ◆ Catering / Pantry Mgmt.

**“YOUR IMAGE IS OUR BUSINESS”**

- The Company's Profit after tax stood at Rs. 2.18 Crore vis a vis Rs. 1.76 Crore in previous year, registering a growth of 23.38%.

There is no change in Business of the Company during the Financial Year ended March 31, 2018.

**AMOUNT WHICH IT PROPOSES TO CARRY TO RESERVES**

The amount of Rs. 21,791,258 to be carried as Profit in the balance sheet for the financial year ended 31st March, 2018. It is not being proposed to carry this amount in to any specific reserve.

**CHANGES IN SHARE CAPITAL**

- a) **Increase in Authorized Capital** : During the Financial year, the Authorized Capital of the company was increased from Rs.75,00,000/- (Rupees Seventy Five Lakhs only) divided into 7,50,000 (Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 12,00,00,000 (Rupees Twelve Crore only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each by creation of additional of Rs. 11,25,00,000/- (Rupees Eleven Crores Twenty Five lakhs only) divided into 1,12,50,000 (One Crore Twelve Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each at the Extra - Ordinary General Meeting held on March 19, 2018.
- b) **Increase in Paid Up Capital** : During the Financial year, the Paid Up Capital of the company was increased from Rs. 67,50,000 (Rupees Sixty Seven Lakh Fifty Thousand) to Rs. 67,50,00,000 (Rupees Six Crore Seventy Five Lakh only) divided into 67,50,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each by issue of additional 60,75,000 (Sixty Lacs Seventy Five Thousand) Equity Shares of Rs. 10/- each as fully paid bonus shares.

**ISSUE OF BONUS SHARES**

The Company in the Extra - Ordinary General Meeting held on March 19, 2018 approved the issue of 60,75,000 (Sixty Lacs Seventy Five Thousand) Equity Shares of Rs. 10/- each as fully paid bonus shares to and amongst the members, the holder of the existing issued and paid up equity shares of the company, whose names appeared in the Register of Members maintained by company as on March 16, 2018 in the proportion of 1:9.

The Shares were allotted in the Board Meeting held on March 23, 2018.

**MATERIAL CHANGES AND COMMITMENTS**

- Conversion from Private Limited to Public Limited Company

**KHFM Hospitality & Facility Management Services Ltd.**

REGD. OFFICE : 01, "NIRMA PLAZA, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059.

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Tele Fax : +91-22-2859 1483 Email : sales@khfm.in Website : www.khfm.in

**OUR SERVICES :**

- ◆ Housekeeping Mgmt.
- ◆ Guest House Mgmt.
- ◆ Property Mgmt.
- ◆ Pest Control Mgmt.
- ◆ Front Office Mgmt.
- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgr
- ◆ Catering / Pantry Mgmt.

**“YOUR IMAGE IS OUR BUSINESS”**

The shareholders through Special Resolution passed at the Extra Ordinary General Meeting held on May 18, 2018 accorded their consent for conversion from Private Limited to Public Limited Company.

Consequently, a fresh Certificate of Incorporation dated May 30, 2018 was issued by Registrar of Companies.

**EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as **Annexure-A**.

**MEETINGS DURING THE FINANCIAL YEAR****• BOARD MEETINGS**

During the financial year 2017-18, Nine (9) Meetings of Board of Directors were duly held and convened.

Further, the status of attendance of Board Meeting by each of Director is as follows:

S. No.	Name of Director	No. of Board Meeting Held	No. of Board Meeting Attended
1.	Mr. Ravindra Malinga Hegde	09	09
2.	Mrs. Sujata Ravindra Hegde	09	09

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There is no change in the Board of Directors of the Company during the Financial Year 2017-18. Further, the provisions related to KMP were not applicable for the Financial Year 2017-18.

However Company has appointed Mr. Saurav Hegde as Non-Executive Additional Director on April 23, 2018.

**DETAIL OF FRAUD AS PER AUDITORS REPORT**

There is no fraud in the Company during the F.Y. ended 31st March, 2018. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March, 2018.

**KHFM Hospitality & Facility Management Services Ltd.**

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- ◆ Housekeeping Mgmt.
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- ◆ Front Office Mgmt.
- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgmt.
- ◆ Catering / Pantry Mgmt.

**"YOUR IMAGE IS OUR BUSINESS"****BOARD'S COMMENTS ON QUALIFICATION, RESERVATION & ADVERSE REMARKS OR DISCLAIMER MADE BY STATUTORY AUDITORS**

Observation made by the Statutory Auditors in their Report are self-explanatory and therefore, do not call for any further comments under section 134(3)(f) of the Companies Act, 2013.

The provisions of section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report is not applicable to the Company.

**PARTICULARS OF INTER-CORPORATE LOANS & INVESTMENT:**

During the financial year 2017-18, the Company has not made any investment. Further the Company has not given any guarantee or security to any person or body corporate.

**PARTICULARS OF RELATED PARTY TRANSACTIONS**

There were no Related Party Transactions entered during the financial year 2017-18.

**STATE OF COMPANY'S AFFAIRS**

It is imperative that affair of our Company are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

**ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS**

There is no such order passed by the Regulators/Courts/Tribunals in respect to the company during the financial year.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

- Conservation of Energy

The Company has no activity involving Conservation of Energy.

- Technology Absorption

The Company has no activity involving Technology Absorption.

- Foreign Exchange earnings and outgo

The Company did not have any foreign exchange earnings or outgo during the year under review.



Hospitality & Facility Management Services

CIN : U74930MH2006PLC159290

ISO 9001 : 2008  
ISO 14001 : 2004  
OHSAS 18001 : 2007

**OUR SERVICES :**

- ◆ Housekeeping Mgmt.
- ◆ Guest House Mgmt.
- ◆ Property Mgmt.
- ◆ Pest Control Mgmt.
- ◆ Front Office Mgmt.
- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgmt.
- ◆ Catering / Pantry Mgmt.

**“YOUR IMAGE IS OUR BUSINESS”**

**PARTICULARS OF EMPLOYEES**

The provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to Particulars of Employees was not applicable to the company during the financial year.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**STATUTORY AUDITORS**

The Board of Directors has proposed the appointment of M/s Bhushan Khot & Co., Chartered Accountants as the Statutory Auditor of the company in place of existing Auditors i.e. M/s G.R. Shetty & Co. for the Period of Five Years starting from the Financial year 2018-19 to 2022-23, subject to shareholders' approval, pursuant to section 139 of the Companies Act, 2013 to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

CSR Provisions are not applicable to the Company.

**DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 (3) (c) of the Act, the Directors confirm that to the best of their knowledge and belief:

- a) In the preparation of Annual Accounts and Financial Statements for the year ended March 31, 2018, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;

**KHFM Hospitality & Facility Management Services Ltd.**

REGD. OFFICE : 01, "NIRMA PLAZA, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059.

MOBILE : +91 9987870000, +91 9987574333 HELLO : +91-22-28511234, +91-22-28514141

Toll Free : 101.22.2850 1482 Email : sales@khfm.in Website : www.khfm.in





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- ◆ Gardening Mgmt.
- ◆ Building Maintenance Mgr
- ◆ Catering / Pantry Mgmt.

**"YOUR IMAGE IS OUR BUSINESS"**

- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the Loss of the Company for the year ended on that date;
- c) That 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 the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on an ongoing concern basis;
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively;
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks to Bankers, Business Associates, Consultants and various Government authorities for their continued support extended to our Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on our Company.

**FOR KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED**

( Director )

( Director )

Place: Mumbai

Date: August 10, 2018



**KHFM Hospitality & Facility Management Services Ltd.**

REGD. OFFICE : 01, "NIRMA PLAZA, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059.

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Annexure 'A'  
**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH 2018

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

**I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	<b>U74930MH2006PTC159290</b>
<b>ii.</b>	Registration Date	27/01/2006
<b>iii.</b>	Name of the Company	KHFM HOSPITALITY AND FACILITY MANAGEMENT SERVICES LIMITED
<b>iv.</b>	Category / Sub-Category of the Company	Company limited by shares Indian Non-Government company
<b>v.</b>	Address of the Registered office and contact details	01, Nirma Plaza, Makhwana Road, Marol Naka, Andheri (East) Mumbai Maharashtra 400059 India
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	-

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
<b>1</b>	<b>COMBINED FACILITIES SUPPORT ACTIVITIES</b>	<b>811</b>	<b>100</b>



<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals  (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		<b>675,000</b>	<b>675,000</b>	<b>100</b>	-	<b>67,50,000</b>	<b>67,50,000</b>	<b>100</b>	

**ii.Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Ravindra Heade	580500	86.00 %	-	5,805,000	86.00 %	-	-
2.	Mrs. Sujata Hegde	94500	14.00 %	-	945,000	14.00 %	-	-
	<b>Total</b>	<b>6750000</b>	<b>100.00 %</b>	<b>-</b>	<b>675000</b>	<b>100.00 %</b>	<b>-</b>	<b>-</b>

**iii.Change in Promoters' Shareholding ( please specify, if there is no change**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>675000</b>	<b>100</b>	<b>675000</b>	<b>100</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>Bonus Issue dated March 23, 2018 of 6075000</b>	<b>100</b>		
	At the End of the year	<b>6750000</b>	<b>100</b>	<b>6750000</b>	<b>100</b>

## **I.INDEBTEDNESS**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year	<b>41,975,305</b>	<b>14,690,546</b>	-	<b>56,665,850</b>
<b>i) Principal Amount</b>				
<b>ii) Interest due but not paid</b>				
<b>iii) Interest accrued but not</b>				
Total (i+ii+iii)	<b>41,975,305</b>	<b>14,690,546</b>	-	<b>56,665,850</b>
Change in Indebtedness during the financial year	<b>+ 159231</b>	<b>+ 34887772</b>	-	<b>35047005</b>
- Addition				
- Reduction				
Net Change	<b>+ 159231</b>	<b>+ 34887772</b>	-	<b>35047005</b>
Indebtedness at the end of the financial year	<b>42,134,536</b>	<b>49,578,318</b>	-	<b>91,712,855</b>
<b>i) Principal Amount</b>				
<b>ii) Interest due but not paid</b>				
<b>iii) Interest accrued but not due</b>				
Total (i+ii+iii)	<b>42,134,536</b>	<b>49,578,318</b>	-	<b>91,712,855</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	MR. RAVINDRA HEGDE & MRS. SUJATA HEGDE	Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	24,00,000	24,00,000
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify		-
6.	Total (A)	24,00,000	24,00,000
	Ceiling as per the Act		

#### **Remuneration to other directors:**

#### **NOT APPLICABLE**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission					

	· Others, please specify					
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

**NOT APPLICABLE**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	<b>Commission - as % of profit - others, specify...</b>				
6.	Others, please specify				

7.	Total				
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## **VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

<b>Type</b>	<b>Section of the companies Act</b>	<b>Brief description</b>	<b>Details of Penalty/ Punishment/ Compounding fees imposed</b>	<b>Authority[RD /NCLT/Court]</b>	<b>Appeal made. If any(give details)</b>
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-