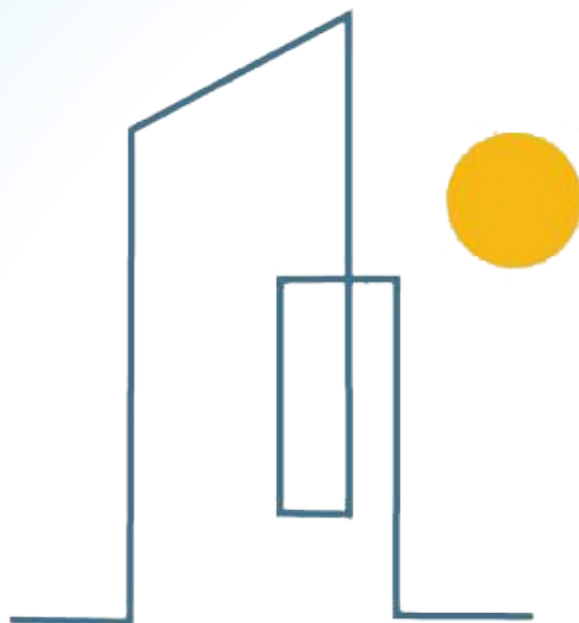


# 10<sup>th</sup> ANNUAL REPORT

## 2019 - 2020



R I T H W I K

FACILITY MANAGEMENT SERVICES LTD

**MESSAGE FROM THE CHAIRMAN.....**



*Dear Shareholders,*

*Welcome to the 10th Annual General Meeting of Rithwik Facility Management Services Limited. On behalf of the Board of Directors, I thank each of you for joining us. It gives me immense pleasure to present the Annual Report for the financial year ending 31st March, 2020 along with the Board's Report, Audited Annual Accounts and the Auditor's Report of your Company.*

*The facility management industry in India is dominated by in-house segment; however, these services are increasingly being outsourced. The growing demand for integrated facility management is also propelling the industry growth. The integrated sector in the industry is expected to further grow with the industry increasingly shifting to the organised sector. While, currently, the industry is highly fragmented and is dominated by unorganised small operators, with larger players increasingly acquiring smaller players, the industry is expected to become more organised in the coming years. The commercial sector is the leading end-use industry in the market in India, followed by industrial and other sectors. Corporate offices like IT, BPO, and BFSI sectors are rapidly shifting towards outsourcing their services, thus, driving the industry growth in India. The industry is primarily concentrated in Tier 1 and metro cities. Pune and Mumbai are expected to witness significant growth within the industry.*

*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.*

*IT & BPM industry's revenue was estimated at around US\$ 191 billion in FY20, growing at 7.7 per cent y-o-y. It is estimated to reach US\$ 350 billion by 2025. Moreover, revenue from the digital segment is expected to form 38 per cent of the total industry revenue by 2025. Digital economy is estimated to reach Rs 69,89,000 crore (US\$ 1 trillion) by 2025. The domestic revenue of the IT industry was estimated at US\$ 44 billion and export revenue was estimated at US\$ 147 billion in FY20. Total number of employees grew to 1.02 million cumulatively for four Indian IT majors (including TCS, Infosys, Wipro, HCL Tech) as on December 31, 2019. Indian IT industry employed 205,000 new hires and had 884,000 digitally skilled talent in 2019.*

*Indian IT's core competencies and strengths have attracted significant investment from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflow worth US\$ 44.91 billion between April 2000 and March 2020. The sector ranked second in FDI inflow as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT). Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra are diversifying their offerings and showcasing leading ideas in blockchain and artificial intelligence to clients using innovation hubs and research and development centres to create differentiated offerings.*

*During fiscal 2019-20, Your Company has seen a growth of 35.93 % in Profit After Tax and operating margin stood at 8.80%. We are also expanding our Facility Management services and Turnkey to other cities, especially Tier II cities.*

*My heart full of thanks to our shareholders, all employees, bankers, regulatory bodies, governmental administration, business associates, customers and all other stakeholders for being firm partners in the Company's growth. I am convinced that with your continued support, the Company can confidently look forward to another bright year ahead.*

*Yours sincerely,  
Rithwik Rajshekar Raman  
Managing Director*

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**10<sup>th</sup> ANNUAL GENERAL MEETING**  
**Friday 25<sup>th</sup> September 2020 at 12.00 p.m.**  
**at**  
**R R Tower III, Thiru-Vi-Ka Industrial Estate**  
**Guindy, Chennai – 600 032.**

## **RITHWIK FACILITY MANAGEMENT SERVICES LIMITED**

### **Corporate Information**

#### **BOARD OF DIRECTORS**

<b>Mr.Rithwik Rajshekhar Raman</b>	<b>DIN (07836658) Chairman and Managing Director</b>
<b>Mr.Niranjan Vyakarna Rao</b>	<b>DIN (02918882) Whole time Director</b>
<b>Mr.P Sudhakar</b>	<b>DIN (02483116) Independent Director</b>
<b>Mrs.ShamaPrasannaTipparaju</b>	<b>DIN (07922496) Independent Director</b>
<b>Mr.Jayaraman</b>	<b>DIN (08112010) Independent Director</b>

#### **COMPANY SECRETARY**

<b>Mr.Subbiah Jayapandi</b>	<b>Company Secretary cum Compliance officer</b>
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#### **CHIEF FINANCIAL OFFICER**

<b>Mr.Tippavajjala Suresh Babu</b>	<b>Chief Financial Officer</b>
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#### **STATUTORY AUDITORS**

M/s.Kalyanasundaram & Associates  
(Regn.No.05455S)  
Chartered Accountants  
31/14,Krishnaswamy Avenue,  
Luz,Mylapore,  
Chennai –600004.

#### **SECRETARIAL AUDITOR**

Mr. S.Vasudevan (COP No. 20094)  
Practising Company Secretary  
Flat 3B,III Block,Bajaj Apartments,  
NandanamExt.MainRoad,  
Chennai-600035.

#### **REGISTERED OFFICE:**

R.R Tower III,Thiru-VI-KA-Industrial Estate,  
Guindy, Chennai – 600032  
Tel.No.+91 044-4353 4441  
CIN: U74900TN2010PLC074294  
Email: [info@rithwik.co.in](mailto:info@rithwik.co.in)  
Website: [www.rithwik.co.in](http://www.rithwik.co.in)

#### **REGISTRAR & SHARE TRANSFER AGENT:**

M/s.Bigshare Services Private Limited.,  
IFloor,Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol, Andheri East,  
Mumbai - 400 059, Maharashtra, India.

**INTERNAL AUDITOR:**

Suresh V & Associates  
Chartered Accountants  
No.42/5, Shantinikethan Colony,  
Anna Nagar West Extn., Chennai-600 101

**BANKER TO THE COMPANY:****Canara Bank**

St Mary's Road, Abhiramapuram,  
Chennai – 600 018,  
Tamil Nadu, India.

**Tel. No.:** +91 44 2499 3886

**Fax. No.:** N.A.

**Email:** cb1287@canarabank.com

**Contact Person:** S. Manikandan

**Website:** [www.canarabank.com](http://www.canarabank.com)

**Canara Bank**

No. 1, Jawaharlal Nehru Salai,  
Ekkattuthangal, Chennai – 600 032  
Tamil Nadu, India.

**Tel. No.:** +91 44 2225 0864

**Fax. No.:** N.A.

**Email:** managercb0909@canarabank.com

**Contact Person:** Mr. S N Krishnasai

**Website:** [www.canarabank.com](http://www.canarabank.com)

**ICICI Bank Limited**

SIDCO Industrial Estate,  
Guindy, Chennai – 600 018.  
Tamil Nadu, India.

**Tel. No.:** +91 044 4856 1530

**Fax. No.:** N.A.

**Email:** hemanth.kumar@icicibank.com

**Contact Person:** K R Hemanth Kumar

**Website:** [www.icicibank.com](http://www.icicibank.com)

**Suryoday Small Finance Bank**

54, First Main Road  
Nanganallur, Chennai – 600 061.  
Tamil Nadu, India.

**Tel. No.:** +91 044 4867 6890

**Fax. No.:** N.A.

**Email:** bm.nanganallur@suryodaybank.com

**Contact Person:** V R Suresh

**Website:** [www.suryodaybank.com](http://www.suryodaybank.com)

## NOTICE OF THE MEMBERS

**NOTICE** is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of Rithwik Facility Management Services Limited will be held through Video Conferencing, on Friday the 25<sup>th</sup> September 2020 at 12.00 P.M in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No(s). 14/2020, 17/2020 and 20/2020, dated 8th April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020 respectively, to transact the following businesses:

### **ORDINARY BUSINESS (ES):**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, M/s.Kalyanasundaram & Associates., Chartered Accountants, (FRN No.005455S), retiring auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration plus applicable taxes, out-of-pocket, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

**By order of the Board of Directors**

Place: Chennai  
Date: 21-08-2020

**Sd/-  
Company Secretary**

## NOTES:

1. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5<sup>th</sup> May, 2020 read with Circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members, whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s), through electronic means and no physical copy of the Notice has been sent by the Company to any member.
2. The members who have not yet registered their e- mail ids with the Company may contact on [investorrelations@rithwik.co.in](mailto:investorrelations@rithwik.co.in) or 91-44-43534441, Extn: 120 for registering their e- mail ids on or before September 19, 2020. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
3. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held.
4. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
5. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. September 19, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e- voting or e- voting system provide in the Meeting.



6. In accordance with the aforementioned MCA Circulars, the Company has opted Zoom Virtual platform for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:
  - a. For joining the meeting the link will be incorporated in CDSL's e voting portal.
  - b. The facility for joining the Meeting shall be kept open 15 minutes before the time scheduled to start the meeting i.e. 11.45 a.m and 15 minutes after the commencement of the meeting i.e. till 12.15 a.m;
  - c. Members who hold shares in dematerialised form are requested to login with their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting;
  - d. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
  - e. Members are requested to e-mail at [karthick@rithwik.co.in](mailto:karthick@rithwik.co.in) or call at 91-44-43534113 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC;
7. In terms of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (the "IEPF Rules"), the Company has not declared any dividend from the financial year 2012-13, the necessity of transferring the unpaid or unclaimed dividend to the Investor Education and Protection Fund (the IEPF) does not arise.
8. The Register of Members and the Share Transfer books of the Company will remain closed from 23-09-2020 to 25-09-2020 (both days inclusive), for the purpose of Annual General Meeting.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC which can be accessed at Registered office.

10. All other relevant documents referred to in the accompanying notice/ explanatory statement shall be made open for inspection by the members only in electronic form on all working days, except Saturdays, Sundays and public holidays, from 11:00 a.m. to 1:00 p.m. up to the date of the ensuing Meeting which can be accessed at [www.rithwik.co.in](http://www.rithwik.co.in)
11. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2019-20 shall also be available on the Company's website [www.rithwik.co.in](http://www.rithwik.co.in)
12. The Board of Directors has appointed Central Depository Services (India) Limited (CDSL) as the Scrutinizer for the purpose of scrutinizing the remote e-voting and to provide e-voting system in the Meeting in a fair and transparent manner.
13. The results of remote e-voting and e-voting system provided in the Meeting shall be aggregated and declared on or after the Meeting of the Company by the Chairman or by any other person duly authorized in this regard.
14. The results declared along with the report of the scrutinizer shall be placed on the Company's website [www.rithwik.co.in](http://www.rithwik.co.in) and on the website of Central Depository Services (India) Limited (CDSL) immediately after the result is declared by the Chairman and simultaneously communicated to the Stock Exchanges.
15. Members are requested to contact the Company's Registrar & Share Transfer Agent (RTA), i.e. M/s.Bigshare Services Private Limited for reply to their queries/ redressal of complaints, if any, or contact Mr.S Jayapandi, Company Secretary of the Company (Phone: 91-44-43534441; Email: [investorrelations@rithwik.co.in](mailto:investorrelations@rithwik.co.in))
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 (DPs) with whom they are maintaining their demat accounts.
17. Non-Resident Indian Members are requested to inform RTA, immediately on:
  - (a) Change in their residential status on return to India for permanent settlement;
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.

**18. Instructions for voting through CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The ensuing AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility for remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.rithwik.co.in](http://www.rithwik.co.in). The Notice can also be accessed from the website of the Bombay Stock Exchange at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

- (i) The voting period begins on Tuesday, September 22, 2020 (9.00a.m. IST) and ends on Thursday, September 24, 2020 (5.00 p.m. IST). During this period shareholders' of the Company, as on the cut-off date (record date) of September 19, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

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

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

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Rithwik Facility Management Services Limited.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

1. For Physical shareholders- please provide necessary details like 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 [investorrelations@rithwik.co.in](mailto:investorrelations@rithwik.co.in) or [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@rithwik.co.in](mailto:investorrelations@rithwik.co.in) or [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their



name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

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

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorrelations@rithwik.co.in](mailto:investorrelations@rithwik.co.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

**By order of the Board of Directors**

Place: Chennai  
Date: 21-08-2020

**Sd/-  
Company Secretary**

## GREEN INITIATIVE

*As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual report, quarterly, half yearly results to shareholders at their e-mail address previously registered with the depository participants (DPs)/company/registrar and share transfer agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the Endeavour to save trees and protect the planet. Those holding shares in demat form can register their email address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Bigshare Services Private Limited, by sending a letter, duly signed by the first/sole holder quoting details of folio number/client id.*

**REGISTRAR & SHARE TRANSFER AGENT:**

Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis  
Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra, India  
Tel No. +91 22 6263 8200 Fax No. +91 22 6263 8299  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Investor Grievance Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com), SEBI Registration No.: INR000001385

## BOARD'S REPORT

**Dear Members,**

Your Directors present their Report together with the audited financial statements of your Company for the year ended March 31, 2020.

Particulars	31st March,2020 (Rs. in Lakhs)	31st March, 2019 (Rs. in Lakhs)
Revenue from Operation	2625.96	2728.22
Profit/(Loss) before Finance Cost, Depreciation, Exceptional items and Taxes	261.93	213.51
Less: Finance Cost	8.48	13.11
Less: Depreciation	33.31	30.79
Profit/(Loss) before exceptional and extraordinary items	220.12	169.61
Less: Exceptional items	-	-
Profit / (Loss) before tax	220.12	169.61
Less: Tax Expenses	57.19	49.75
Profit / (Loss) After tax	162.93	119.86

### OPERATIONS

During the year under review, the turnover of the Company was Rs.2625.96 lakhs as compared to Rs. 2728.22 lakhs in the previous year. This year profits are from the core activities of the business .There were no turnkey projects executed. Hence the revenue from operation has come down to 2625.96 lakhs.

### CHANGE IN THE NATURE OF THE BUSINESS

During the year, there is no change in the nature of the business of the Company.

### DIVIDEND

Your Company has made profit after Tax of Rs.162.93 lakhs, your Directors decided to retain the profits for further expansion and have not recommended any dividend for the year ended 31<sup>st</sup> March, 2020.

### ECONOMIC OVERVIEW - INDIA

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

## Market size

India's gross domestic product (GDP) (at constant 2011-12 prices) was estimated to be Rs 145.65 lakh crore (US\$ 2.06 trillion) for 2019-20, growing 4.2 per cent over the previous year. India retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups as 1,300 new start-ups got incorporated in 2019 according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 (till August 2019), taking the total tally to 24. India's labour force is expected to touch 160-170 million by 2020 based on the rate of population growth, increased labour force participation and higher education enrolment among other factors according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves rose to a record high in the last week of the previous month. Data released by the Reserve Bank of India on Friday showed that forex reserves rose \$11.9 billion in the week ended July 31, taking total reserves to \$534 billion.

## Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The mergers and acquisition (M&A) activity in India stood at US\$ 28 billion in 2019, while private equity (PE) deals reached US\$ 48 billion. Some of the important recent developments in Indian economy are as follows:

- Merchandise export and import (in US\$ terms) declined by 4.8 per cent and 9.1 per cent, respectively, in 2019-20.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) stood at 30.8 in May 2020, showing contraction in the sector because of coronavirus-related restrictions.
- Gross tax revenue stood at Rs 15.04 lakh crore (US\$ 215.28 billion) in 2019-20 – income tax collection contributed Rs 4.80 lakh crore (US\$ 68.14 billion) to it..
- In 2019, companies in India raised around US\$ 2.5 billion through 17 initial public offers (IPO).
- India's Foreign Direct Investment (FDI) equity inflow reached US\$ 469.99 billion between April 2000 to March 2020, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading, and automobiles.
- India's Index of Industrial Production (IIP) for 2019-20 stood at 129.2.

- The combined index of eight core industries stood at 137 in March 2020. Its cumulative growth was 0.6 per cent in 2019-20.
- Consumer Price Index (CPI) – Combined inflation was 5.9 per cent in March 2020 as compared to 6.6 per cent in February 2020. The annual consumer price inflation increased to 4.8 per cent in 2019-20 from 3.4 per cent in 2018-19.
- Around 12 million jobs in a year were created in India during 2015-19.
- India improved its ranking in World Bank's Doing Business Report by 14 spots over last year and was ranked 63 among 190 countries in the 2020 edition of the report.
- India is expected to have 100,000 start-ups by 2025, which will create employment for 3.25 million people and generate US\$ 500 billion in value as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.

### **Road Ahead**

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms. India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030, which is currently 30 per cent, and have plans to increase its renewable energy capacity from 175 giga watt (GW) by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by Price water house Coopers.

### **IMPACT OF COVID – 19 in Leasing of office spaces in India**

Net leasing of office space plunged 73.4 per cent in the April-June period across eight major cities due to sharp fall in demand because of the COVID-19 pandemic, according to Cushman & Wakefield. Net absorption of office space stood at 37.15 lakh sq ft during April-June 2020 as against 139.85 lakh sq ft in the year ago period as corporate and co-working players deferred their expansion plans, the property consultant said. During the first half of 2020, the net office space leasing declined 57 per cent to 110.75 lakh sq ft from 255.48 lakh sq ft in the corresponding period of last calendar year.

"The net absorption in the second quarter 2020 stands at 3.72 million sq ft, which is lower by 49.5 per cent on a quarterly basis and 73.4 per cent lower on a yearly basis as fresh transaction activity was muted during the quarter," C&W said in a statement. Also, cities like Delhi NCR and Bengaluru saw negative absorption which also pushed the overall net absorption downwards, it added. "As the world got more engaged to deal with the impact of corona virus, the resilience of commercial real estate in India was tested. This is reflected in the dwindling demand and supply numbers in H1 2020," said Anshul Jain, Managing Director South East Asia and India, C&W.

In an ever-evolving situation, he said, it would be difficult to predict the timeline within which commercial real estate in India might be able to restore its pre-COVID growth momentum. "But, a certain level of normalcy could be expected in H2 as companies gradually resume their operations," Jain said. According to the data, net leasing in Mumbai rose to 16.45 lakh sq ft during April-June 2020 from 12.72 lakh sq ft in the corresponding period last year. In Delhi-NCR, the net leasing of office space stood at minus 3.58 lakh sq ft as against 9.52 lakh sq ft during the period under review. Similarly, Bengaluru reported a negative net leasing of office space at minus 83,943 sq ft as against 23.63 lakh sq ft.

Net office space leasing in Chennai fell to 5.23 lakh sq ft from 11.65 lakh sq ft, while Pune saw a sharp fall to 60,709 sq ft from 15.85 lakh sq ft.

In Hyderabad, demand for office space declined to 17.58 lakh sq ft from 57.78 lakh sq ft. Net office space leasing in Kolkata dipped to 1.14 lakh sq ft from 2.24 lakh sq ft, while in Ahmedabad the demand softened to 54,900 sq ft from 6.43 lakh sq ft. Cushman & Wakefield, which is listed on the New York Stock Exchange, is a leading largest real estate services firm with approximately 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of USD 8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

## **REVIEW OF OPERATIONS**

During the year under review your company has recorded 22% of increase at 261.93 Lakhs in profit as compared to 213.51 Lakhs as on 31<sup>st</sup> March 2019. During the year your company has not executed any turnkey projects. The growth of the Profit is attributed to efficient handling of Manpower, reduced costs in input materials and effective internal controls system of the company.

## FACILITIES UNDER O&M

Particulars	31 <sup>st</sup> March 2018-19	31 <sup>st</sup> March 2019-20
Total Area of Maintenance in Sq.ft.	6,50,241	7,77,497
Total No. of clients under maintenance	70	73

## FUTURE PROSPECTS

The COVID-19 outbreak has acted as a catalyst for change and has reiterated the need to pay attention to how facilities are being managed and services are being delivered. All built environments, owned or leased offices, warehouses, retail stores or manufacturing facilities, will require careful consideration and tailored plans.

With health and wellness becoming key focus areas, organizations may prefer to hire professional and trained facilities managers to drive such initiatives. As we move forward, the role of FM services providers can also become more strategic and long-term in nature with facets like hygiene and safety gaining importance for everyone. Technology and changing attitudes will drive increased sophistication in facilities management. The role of facility management is emerging from just being a service provider, to promoting a culture anchored by safe work practices, quality, talent development, technology and analytics.

The Covid-19 pandemic has forced companies to reset the ongoing soft services to support the workplace environment. There is a growing need for automating FM business processes, everything from move-ins, service requests and maintenance, to energy management or workspace customization. Facilities managers must leverage data for better decision making, capital planning and improving the workplace experience for employees and customers alike.

In the post Covid times, smart technologies will add greater significance, given that facilities will be occupied in a gradual manner and better control and intelligence will be needed to operate buildings in a very dynamic environment with varied occupancy pattern. Quick changes, remote monitoring and operations and data analytics are expected to bring efficiency in this dynamically changing occupancy.

The concept of smart buildings is pushing facility managers to rediscover the use and integrations of buildings into one single eco-system. Every asset or device within the building, such as lights, sensors, windows, HVAC units, doors and CCTV, having a unique identity and all fully integrated into a network. Artificial Intelligence and IoT

technologies can increase operational efficiency and improve building management, by allowing distant monitoring and controlling facilities.

Your company continues to explore all the possibilities in exploring new methodologies and technologies with regard to the facility management services with a holistic approach of providing end to end solutions for the clients. Your company is also exploring the possibilities of entering into contract to lease equipments for IT/ ITeS companies which will in turn contribute to the growth of the Company.

Although there is a shift from Work from office to Work from home, the industry is not comfortable with this practice on a permanent basis. As they have found that it is not practically workable for multiple purposes.

### SHARE CAPITAL

The Authorised capital of the company is 400 Lakhs as on 31<sup>st</sup> March 2020. The paid up capital of the Company as on 31<sup>st</sup> March 2020 stands at Rs. 306 Lakhs.

### TRANSFER TO RESERVES

Your Company has not proposed any sum to the general reserve of the Company.

### CORPORATE GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Rithwik Facility Management Services Limited, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

***As per the Regulation 15(2)(a) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015; The compliance with the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of a) the Listed entity having paid up Equity share capital not exceeding Rs. 10 Crore and Net-worth not exceeding of 25 Crore, as on the last day of the Previous financial year: b) the Listed entity which has listed its specified securities on the SME Exchange.***



***Your Company is listed in BSE SME platform. Thus, the compliance with provisions of Corporate Governance in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to your Company.***

## **MANAGEMENT DISCUSSION AND ANALYSIS :**

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, (hereinafter referred to as Listing Regulations) the Management Discussion and Analysis Report is appended as **Annexure IV** to this report.

## **PARTICULARS OF EMPLOYEES**

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

Further, the Nomination and remuneration policy forms part of **Annexure V** to the Board's Report:

- Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- **Annexure VI**

## **COMPOSITION & CATEGORY OF DIRECTORS:**

The board comprises of 5 Directors; out of which 2 are Executive Director and 2 are Non-Executive and Independent Directors and 1 woman non-executive and Independent Director. All the Directors bring a wide range of skills and experience to the board. The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated under the provisions of Section 149(6) of the Companies Act, 2013. All directors are appointed by the members of the Company.

The composition of the Board is in conformity with Listing Regulations. No director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public companies in which he is a director.

**A) Details with regards to meeting of Board of Directors and attendance during the year of the Company**

**(i) Composition of the Board of Directors as on the date of this Report is mentioned below;**

Name of the Director	Designation	Category
Mr. RithwikRajshekar Raman	Managing Director	Executive Director
Mr. V Niranjan Rao	Whole-Time Director	Executive Director
Mr.Sudhakar P	Director	Independent Director
Mrs.ShamaPrasannaTipparaju	Woman Director	Independent Director
Mr.Jayaraman	Director	Independent Director

**(ii) Meeting of Board of Directors and Attendance during the Year:**

During the FY 2019-2020, Seven (7) meetings of the Board of Directors of the Company were held which is listed in the table. There is no gap between two meetings that exceed 120 days.

Quarter I (April-June)	Quarter II (July-September)	Quarter III (October to December)	Quarter IV (January – March)
08-04-2019 28-05-2019 14-06-2019	14-08-2019 26-08-2019	14-11-2019	20-01-2020

Name	Category	Number of Directorship in other public Ltd Companies	No. of Board Meetings attended during period ended 31/03/2020	No. of Committee Membership in other Public Limited Companies	Attendance Last AGM on	No. of Shares held
Mr.Rithwik Rajshekar Raman	Executive Non-Independent Chairman Promoter cum Managing Director	Nil	6	Nil	Yes	11,02,500
Mr.Niranjan Vyakarna Rao	Executive Non-Independent Whole-Time Director	Nil	7	Nil	Yes	13,500
Mr.P Sudhakar	Non-Executive Independent Director	01	6	1	Yes	Nil
Mrs.Shama Prasanna Tipparaju	Non-Executive Independent Director	Nil	6	Nil	Yes.	Nil
Mr.Jayaraman	Non-Executive Independent Director	Nil	4	Nil	Yes	Nil

In accordance with Regulation 26 (1) (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Membership/Chairpersonship of only the Audit Committees and Stakeholders' Relationship Committee in all Public Limited Companies has been considered.

### **(C) Policy on Directors' Appointment and Remuneration**

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31st March, 2020, the Board consist of 5 Members, 1 of whom is a Managing Director, 1 of whom is an Whole-time Director and the 2 others are Independent Directors and 1 woman non-executive and Independent Director. The Board periodically evaluates the need for change in its composition and size. The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of director and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board, is appended as **Annexure V** to this report. We affirm that the Remuneration paid to the director is as per the terms laid out in the said policy.

### **(D) Declaration by Independent Directors**

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 notification issued by the Ministry of Corporate affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is satisfied that the Independent Directors meet the criteria of Independence as stipulated under statutory laws.

The Declaration by Independent Director is annexed as **Annexure I, Annexure II & Annexure III** to this Report.

### **BOARD'S COMMITTEES:**

Currently, the Board has three Committees: the Audit Committee, the Nomination and Remuneration Committee, and the Stakeholder's Relationship Committee. All Committees are appropriately constituted.

(i) The details of the composition of the Committees as on the date of this Report is mentioned below:

Name of the Committee	Name of the Member	Position Held
<b>Audit Committee</b>	Mr.Jayaraman	Chairman-Independent Director
	Mrs.ShamaPrasannaTiparaju	Member- Independent Director
	Mr.Sudhakar P	Member- Independent Director

Name of the Committee	Name of the Member	Position Held
<b>Nomination &amp; Remuneration Committee</b>	Mr.Jayaraman	Chairman-Independent Director
	Mrs.ShamaPrasannaTiparaju	Member- Independent Director
	Mr.Sudhakar P	Member- Independent Director

Name of the Committee	Name of the Member	Position Held
<b>Stakeholders Relationship Committee</b>	Mrs.ShamaPrasannaTiparaju	Chairman-Independent Director
	Mr. NiranjanaVyakarna Rao	Member- Wholetime Director
	Mr.Sudhakar P	Member- Independent Director

(ii) Meetings of Audit Committee and Attendance during the Year:

During the financial year under review, Audit Committee Meetings were held on 28-05-2019, 14-08-2019, 14-11-2019, and 20-01-2020. The attendance of the members at the Audit Committee meetings were as follows:

Name of the Member	Attendance particulars	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr.Jayaraman(Chairman)	4	4
Mr. P Sudhakar (Member)	4	3
Mrs.ShamaPrasannaTiparaju(Member)	4	4

(iii) Meetings of Nomination and Remuneration Committee and Attendance during the Year:

During the financial year under review, Nomination and Remuneration Committee Meetings were held on 20-01-2020. The attendance of the members at the Nomination and Remuneration Committee meeting was as follows:

Name of the Member	Attendance particulars	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr.Jayaraman	1	1
Mrs.ShamaPrasannaTiparaju	1	1
Mr.P Sudhakar	1	1

**(iv) Meetings of stakeholder relationship committee and attendance during the year:**

During the financial year under review, Stakeholder Relationship Committee Meetings were held on 08-04-2019, 14-08-2019, 14-11-2019, and 20-01-2020 and the attendance of the members at the Stakeholder Relationship Committee meeting was as follows:

Name of the Member	Attendance particulars	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mrs.ShamaPrasannaTiparaju	4	4
Mr. Niranjan Vyakarna Rao	4	4
Mr.Sudhakar P	4	4

**(v) Separate Meetings of Independent Directors:**

During the year, separate meetings of independent directors were held on January 20, 2020 in which all independent directors were present. In these meetings, they have discussed and evaluated:

- (i) performance of Non-Independent Directors, Independent Directors and the Board of Directors as a whole.
- (ii) performance of the Chairman of the Company, considering the views of the Executive and Non-Executive Directors.
- (iii) performance of the various committees of the Board.
- (iv) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **CORPORATE SOCIAL RESPONSIBILITY**

As per the provision of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs.500 crore or more, or a turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during the immediately preceding financial year are required to constitute a CSR committee.

Your Company do not fall in the criteria to constitute a CSR Committee as per the provisions of Section 135 of the Companies Act, 2013.

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

Your Company gives utmost importance towards maintain and upholding the dignity of each and every woman working in the Company. The Company has a policy on prevention of sexual Harassment at workplace which provides for adequate safeguards and protection for women employees working in the organization.

No Complaints were received in this regard during the year 2019- 20.

## **VIGIL MECHANISM**

The Company has established a vigil mechanism to provide adequate safeguards against victimization and to provide direct access to the Chairman of the Audit Committee in appropriate cases. This mechanism is available on the website of the Company.

## **SECRETARIAL AUDIT**

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has engaged the services of Mr.S.Vasudevan, Company Secretaries in practice, Chennai to conduct the Secretarial Audit of the Company for the period ended on 31st March, 2020. The Secretarial Audit Report (in Form MR-3) is annexed as **Annexure-VII** to this Report.

## **SECRETARIAL AUDITORS' OBSERVATIONS IN SECRETARIAL AUDIT REPORT**

There is no qualification, reservation or adverse remarks or disclaimer made by the Secretarial Auditor in their report and do not call for any further explanation/comment from the board.

## **AUDITORS**

M/s.Kalyanasundaram & Associates, Chartered Accountants, Chennai, was appointed as Statutory Auditors of the Company in the previous AGM held on 27<sup>th</sup> September 2019. The term of the present Auditor will conclude at the ensuing Annual General meeting of the Company and being eligible has offered themselves for re-appointment.

Consent has been received from the Present auditors for their re-appointment to the effect that they are not disqualified to be appointed as Statutory Auditors of the Company in terms of the Companies Act, 2013 & the rules made there under. The Members are requested to consider and approve their appointment as Statutory Auditors for the Financial year 2020-21.

## **STATUTORY AUDITORS' OBSERVATIONS IN AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. Kalyanasundaram & Associates., Chartered Accountants, the Statutory Auditors of the Company, in their report. The observations made by the Statutory Auditors in their report for the financial period ended 31st March, 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

## **PARTICULARS ON CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

(i) Energy Conservation: Conservation of energy continues to receive increased emphasis and steps are being taken to reduce the consumption of energy at all levels. The Company has taken steps to conserve energy in its office use, consequent to which energy consumption had been minimized. No additional Proposals/ Investments were made to conserve energy. Since the Company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc, are not applicable.

(ii) Foreign Exchange Earnings and Outgo: The Company has not earned or spent any foreign exchange during the year under review.

(iii) Research and Development & Technology Absorption: The Company has not adopted any technology for its business and hence no reporting is required to be furnished under this heading. The Company will adopt necessary technology as and when required in the furtherance of the business.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:-

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

And

(e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

*Explanation.*—For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the company 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;

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITORS**

There were no instances of fraud reported by the Auditors.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, there are no transactions covered under the Provisions of Section 186 of the Companies Act, 2013.



## **RISK MANAGEMENT**

The Company has developed and implemented a risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The Board and the Audit Committee periodically undertake a review of the major risks affecting the Company's business and suggests steps to be taken to control and mitigate the same.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2019, pursuant to Section 92 (3) of the Companies Act, 2013, in form MGT-9, are given in **Annexure – VIII** forming part of this Report and is also available at the website of the Company at [www.rithwik.co.in](http://www.rithwik.co.in)

## **RELATED PARTY TRANSACTIONS**

There were no any materially significant related parties' transaction with promoters and directors which were in conflict with the interest of the Company attracting the provision of Section 188 of the Companies Act, 2013 during the financial year.

Thus disclosure in Form AOC-2 is not required.

However Form AOC 2 related with particulars of contract or arrangements with related parties are annexed herewith as **Annexure IX**.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT**

There are no significant and material orders passed by the Regulators or Court that would impact the going concern status of the company.

## **INTERNAL FINANCIAL CONTROLS**

The Company has a well-placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The Board of Directors has appointed M/s.V Suresh & Associates, Chartered Accountants as the Internal Auditor of the Company. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

### **1. Impact of COVID-19 on the business:-**

Our business is not considered an 'Essential Services' as per the Ministry of Home Affairs (MHA). At RFMS during the first phase of lockdown due to COVID-19, the curfew was imposed and all operations were completely stopped, we experienced constraints in transportation, availability of labour, movement of maintenance staff to upkeep the facilities running (HVAC, DG etc), logistics etc. Thereafter the Government of India allowed *"Private security services and facilities management services for maintenance and upkeep of office and residential complexes"* via serial number 14(iii) as per Minister of Home affairs dated 15th April, 2020. We managed to overcome some of the obstacles and were able to streamline the process to certain extent.

### **2. Ability to maintain operations:-**

The Company has taken conscious decision through balance uninterrupted operations and ensuring a safe working environment. To ensure this, 30 % of the staff during second phase of lockdown and thereafter 50% of the staff have been asked to report to work at their locations. The Company has also made necessary arrangements to ensure that they are safe and comfortable at work.

### **3. Steps taken to ensure smooth functioning:-**

The Company has put in place strict standard operating procedures for COVID-19 ensuring the following:-

- Thermal Screening of / Aarogya Setu App.
- Sanitizers with foot operated machines placed at strategic locations

In addition to above, the Company have implemented the Standard Operating Procedures, which is strictly being followed across all the Units and Workplaces and we have also designated officials responsible for ensuring the compliances to the Guidelines, Rules and Regulations issued by Central as well as State Government on COVID-19 from time to time:

The Company has been regularly conducting awareness programs for all its Employees.

All Customers and Vendors of the Company have been communicated about the measures taken by the Company through mails.

#### 4. Estimation of the future impact of COVID-19 on operations:-

As explained above, there has not been any material adverse impact on the Company's performance for the financial year 2019-20. We expect fall in revenue of about 10 to 15% for the financial year 2020-21.

#### 5. Details of impact of COVID-19 based on certain performance parameters:

- Capital and financial resources and other assets - As per the current assessment, there is no significant impact on the Company's capital and financial resources and other assets of the Company.
- Profitability-We expect a reduction in profits by 10 to 15% for the financial year 2020-21.
- Liquidity - The Company has a strong balance sheet and liquidity position.
- Ability to service debt - The Company has adequate financial resources to meet its working capital requirement. The Company has never in the past defaulted on any interest or loan payment and does not see any issue meeting future obligations too.
- Assets - None of the assets of the Company have been impacted or impaired by the COVID-19.
- Internal Financial Controls -The Company has system in place at office locations are well networked. Accordingly, all Internal Financial Controls and reporting systems are working seamlessly without disruption.
- Supply Chain - There has been no impact because we have sufficient labour force.
- Demand - The commercial real estate industry is likely to see fall in occupy of around 15 to 20 %. Our Business is directly related to the IT/IIE3/Commercial leasing as a result we expect a reduction in demand.

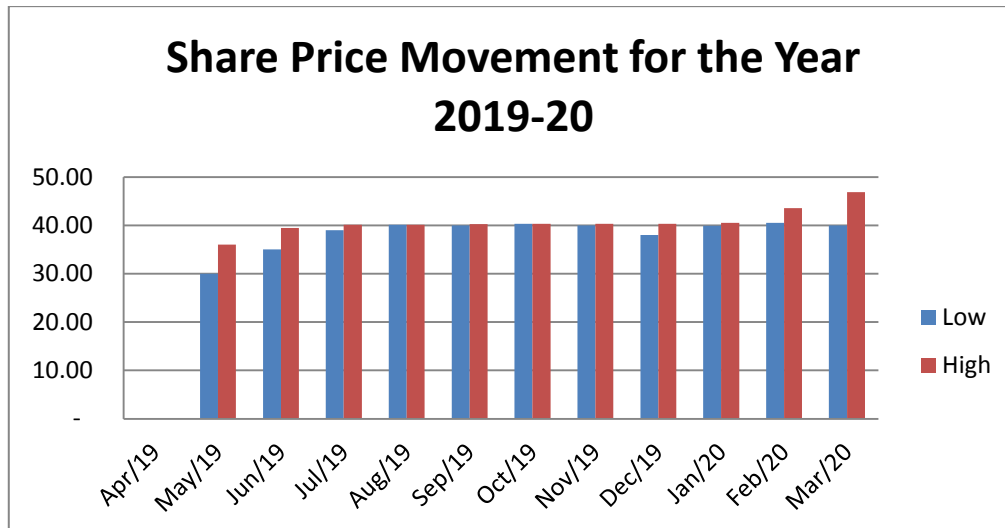
#### 6. Impact on Contracts/ Agreements:-

The Company expects to see a 10 to 15% reduction in respect of its existing Contracts and Agreements. This is due to two factors. One is as stated above with respect to demand. The other being that we are unable to put into effect our annual escalation, which was due in April 2020 as per the contracts.

#### 7. Other relevant material updates: - None

## LISTING

Your Company is listed on SME platform of BSE Ltd. from 11th January, 2018. The Company's code is RITHWIKFMS (540843) and ISIN is INE819Y01015. The following table depicts the price movement for the year 2019-20.



## DEPOSITS

Your Company has not accepted any public deposits during the year under review.

## ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for significant contribution made by employees of the Company at each level, through their dedication, hard work and commitment.

The Board places on record its appreciation for the continued co-operation and support extended to the Company by various stakeholders, Banks, Stock Exchanges, NSDL and CDSL. The Board wishes to express its grateful appreciation for the assistance and co-operation received from Vendors, Customers, Consultants, Banks, Financial Institutions and other Business Associates. The Board deeply acknowledges the trust and confidence placed by the customers of the Company and, above all, the shareholders.

**For and on behalf of the Board of Directors  
Rithwik Facility Management Services Limited**

**Place: Chennai**  
**Date : 21/08/2020**

Sd/-  
**Rithwik Rajshekar Raman**  
**Managing Director**  
**DIN: 07836658**

Sd/-  
**Niranjan Vyakarna Rao**  
**Whole Time Director**  
**DIN: 02918882**

## **ANNEXURE I**

### **DECLARATION OF INDEPENDENCE**

Date: 13.07.2020

To  
The Board of Directors,  
Rithwik Facility Management Services Limited  
R R Tower III, Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai-600 032

**Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI (LODR), Regulation, 2015**

I, **JAYARAMAN, (DIN: 08112010)**, hereby certify that I am a Non-Executive Independent Director of **Rithwik Facility Management Services Limited**, having its registered office at R R Tower III, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032 and comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
4. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. None of my relatives—
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year.

- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of 50 lacs rupees at any time during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company in excess of 50 lacs rupees at any time during the two immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in Point (i), (ii) or (iii);
6. Neither me nor any of my relatives:
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) holds together with my relatives 2% or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not a non-independent director of another company on the board of which any non independent director of the listed entity is an independent director:
9. I am not less than 21 years of age.

I do hereby declare that I am not disqualified to act as the Director under any of the circumstances stipulated under Section 164 of the Companies Act, 2013 and that I at present stand free from any disqualification from being a director under other provisions of Section 164 of the Companies Act, 2013.

### **DECLARATION**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

**Sd/-**

**JAYARAMAN**

Non-Executive & Independent Director

DIN: 08112010

## **ANNEXURE II**

### **DECLARATION OF INDEPENDENCE**

Date: 13.07.2020

To  
The Board of Directors,  
Rithwik Facility Management Services Limited  
R R Tower III, Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai-600 032

**Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI (LODR), Regulation, 2015**

I, **P SUDHAKAR, (DIN: 02483116)**, hereby certify that I am a Non-Executive Independent Director of **Rithwik Facility Management Services Limited**, having its registered office at R R Tower III, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032 and comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
4. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. None of my relatives—
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year.



- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of 50 lacs rupees at any time during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company in excess of 50 lacs rupees at any time during the two immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in Point (i), (ii) or (iii);
6. Neither me nor any of my relatives:
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) holds together with my relatives 2% or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not a non-independent director of another company on the board of which any non independent director of the listed entity is an independent director:
9. I am not less than 21 years of age.

I do hereby declare that I am not disqualified to act as the Director under any of the circumstances stipulated under Section 164 of the Companies Act, 2013 and that I at present stand free from any disqualification from being a director under other provisions of Section 164 of the Companies Act, 2013.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

**Sd/-**

**P SUDHAKAR**

Non-Executive & Independent Director

DIN: 02483116

### **ANNEXURE III**

#### **DECLARATION OF INDEPENDENCE**

Date: 13.07.2020

To  
The Board of Directors,  
Rithwik Facility Management Services Limited  
R R Tower III, Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai-600 032

**Subject: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI (LODR), Regulation, 2015**

I, **SHAMA PRASANNA TIPPARAJU, (DIN: 07922496)**, hereby certify that I am a Non-Executive Independent Director of **Rithwik Facility Management Services Limited**, having its registered office at R R Tower III, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032 and comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters or directors in the company, its holding, subsidiary or associate company ;
4. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. None of my relatives—
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year.

- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of 50 lacs rupees at any time during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company in excess of 50 lacs rupees at any time during the two immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in Point (i), (ii) or (iii);
6. Neither me nor any of my relatives:
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) holds together with my relatives 2% or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not a non-independent director of another company on the board of which any non independent director of the listed entity is an independent director:
9. I am not less than 21 years of age.

I do hereby declare that I am not disqualified to act as the Director under any of the circumstances stipulated under Section 164 of the Companies Act, 2013 and that I at present stand free from any disqualification from being a director under other provisions of Section 164 of the Companies Act, 2013.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/ transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

**Sd/-**

**SHAMA PRASANNA TIPPARAJU**

Non-Executive & Independent Director

DIN: 07922496

## **ANNEXURE IV**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2020.

#### **Economic Overview-Global**

The global expansion has weakened. Global growth for 2018 is estimated at 3.7 percent, as in the October 2018 World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections. The global economy continues to expand, but third-quarter growth has disappointed in some economies. Idiosyncratic factors (new fuel emission standards in Germany, natural disasters in Japan) weighed on activity in large economies. But these developments occurred against a backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. While the December 1 announcement that tariff hikes have been put on hold for 90 days in the US-China trade dispute is welcome, the possibility of tensions resurfacing in the spring casts a shadow over global economic prospects.

Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1 percentage point lower than in the October 2018 WEO, mostly due to downward revisions for the euro area.

#### **1. Industry Overview-Global**

(a) Facility Management (FM) Facility Management Industry was estimated that its size is to grow from \$34.65 Billion in 2018 to USD 59.33 billion by 2023, at a Compound Annual Growth Rate (CAGR) of 11.4 per cent during the forecast period.

Reasons for growth included a rise in the development of sustainable infrastructure, and in the adoption of the Internet of Things and connected devices for building automation across all of the industry whether in hard or soft services.

There was also an increasing worldwide incentive to meet environmental and regulatory compliance and save more in costs but to be just as, if not more, productive.

## **POST COVID 19**

The future of facilities management (FM) will require stringent monitoring of visitors, workspace management, consistent cleanliness and hygiene, and holistic security to manage any future threats similar to COVID-19.

This study focuses on presenting the competitiveness of FM providers through a selection of strategic criteria that respond to underlying trends, challenges, and opportunities in the FM market. Elements such as quality, price, and profit margins are also critical to the success factors of FM providers. Growth opportunities have been laid out for FM companies in the areas of smart FM services and the immediate needs of FM customers in managing post-COVID operations.

The USD 15 billion-organised facilities management (FM) segment is likely to benefit the most from the outbreak of COVID-19 in the country as businesses resume operations and citizens begin to adjust to the new normal, industry experts said. Maintenance costs, however, are likely to rise by 5-10 per cent to keep buildings safe, hygienic and coronavirus-free, they said. Health and wellness have now become priorities in housing and commercial complexes -- a development that will immensely help the FM business. In e-mail interactions with PTI, leading industry players said that their employees deployed to manage these facilities are acting as frontline warriors during this pandemic. According to Knight Frank India, the organised FM market size is around USD 14.98 billion. The total area of management under organised FM is 3,000 million sq ft. Portfolio share with respect to office is around 65 per cent, retail 10 per cent and residential around 25 per cent.

With health and wellness becoming key focus areas, organisations may prefer to hire professional and trained facilities managers to drive such initiatives, said Anshuman Magazine, Chairman & CEO - India, South East Asia, Middle East and Africa, CBRE.

### **(b) (i) OPPORTUNITIES**

The facility management market was valued at USD 35.92 billion in 2018, and is expected to reach a market value of USD 72.43 billion by 2024, registering a CAGR of 12.51% during the forecast period of 2019–2024. However, this might change due to the impact of Covid-19. The growth in real estate will be paired with a preference towards safe, clean and secure environment, especially in the residential sector. Beyond the Tier 1 metros, demand is also expected to rise from the tier II and tier III cities due to increased business activities. Untapped areas of potential include

Kolkata, Chennai, the upcoming capital of Andhra Pradesh and UP. By 2025, around 38% of India's population is predicted to live in urban regions, and cities will account for 80% of India's GDP. The government's ambitious plan to develop 100 smart cities, (attracting an investment of \$216 Billion into infrastructure), will result in a surge in infrastructure creation, driven by sustained population growth. This will create a sustained need for professional, holistic facilities maintenance services.

## **(ii) THREATS**

Today's competitive world calls for employee satisfaction, quality infrastructure and efficient management from all enterprises, however big or small. These are some of the significant prerequisite that allows a company to compete with its rivals and stand out and the situation of facility management in India is no exception to this.

The market comprising of facility management in India has a direct and potential correlation with the growth of the construction sector. This sector, involving everything from real estate to infrastructure projects have is witnessing a resilient growth. The present effective business of outsourced facility management was around US \$825 million in the last decade. Though the facility management business of India is in its developing stage compared to the first world countries around the globe, its growth is seen in almost all sectors. The huge scale of the various markets in India along with vast resource of geographical area are the primary contributors of revenues of the facility management. But when it comes to the comprehension of market, its maturity and acceptance of the available services by the users, India still has to go a long way. In our country, the outsourcing of facility management services constitute of around 35 percent of the total demand for the real estate services while the rest 65 percent is managed by the construction businesses.

## **(c) SEGMENT REPORTING**

The Company is engaged in Facility Management services and fitting out commercial facilities on a turnkey basis. Revenues are mainly derived from these activities. For the year ended 31<sup>st</sup> March 2020, we generated consolidated revenue of Rs.2625.96 Lakhs, as compared to Rs.2728.22 Lakhs in 2019. Rs.2612.91 Lakhs was generated from Facility Management Services and Rs.13.04 Lakhs was generated from turnkey projects.



#### **(d) OUTLOOK**

Facility Management (FM) refers to the use of third-party service providers to maintain a part or entire building facility in a professional manner. It is increasingly gaining popularity amongst commercial as well as residential clients driven by modernization, rapid urban development and a growing awareness of advantages arising from outsourcing non-core business activities.

At present, the organized FM services industry in India is valued at INR 50 thousand crore constituting 10% of the total market. This is expected to grow to INR 1.25 lakh crore by 2022. In India FM services companies have only tapped 25% of the addressable market with 75% of this work still being undertaken in-house, a stark contrast to 49% at the global level.

The Indian Facilities Management (FM) industry is in the midst of rapid developments in end-user industries, which has led to the considerable growth of commercial activities in metropolitan areas such as Delhi /NCR, Mumbai, Hyderabad, Pune, Chennai and Bengaluru and Tier II and III cities like Coimbatore, Vizagapatnam, Surat, Nagpur, Lucknow and etc.,

#### **(e) RISK & CONCERNS**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified

#### **(f) INTERNAL CONTROL SYSTEMS & THEIR ADEQUEACY**

The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee periodically reviews the internal controls systems and reports their observations to the Board of Directors. The Directors have appointed M/s. Suresh V & Associates, Chartered Accountants as the Internal Auditors of the Company for the FY 2019-20.

**(g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Particulars	31st March,2020 (Rs. in Lakhs)	31st March,2019 (Rs. in Lakhs)
Revenue from Operation	2625.96	2728.22
Profit/(Loss) before Finance Cost, Depreciation, Exceptional items and Taxes	261.93	213.51
Less: Finance Cost	8.48	13.11
Less: Depreciation	33.31	30.79
Profit/(Loss) before exceptional and extraordinary items	220.12	169.61
Less: Exceptional items	-	-
Profit / (Loss) before tax	220.12	169.61
Less: Provision for Tax	57.19	49.75
Profit / (Loss) After tax	162.93	119.86

**(h) HUMAN RESOURCE DEVELOPMENT**

The Company believes that the human resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. Employee relations remained cordial and the work atmosphere remained congenial during the year. SRGSFL's staff strength as at March 31, 2020 was 93.

**(i) SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Sr.No	Ratios	As on 31/03/2020	As on 31/03/2019
1	Interest Coverage Ratio	26.94	13.94
2	Current Ratio	1.91	1.98
3	Debt-Equity Ratio	0.22	0.24
4	Operating Profit Margin	8.70%	6.70%
5	Net Profit Margin	6.20%	4.39%
6	Return on Asset	10%	7%
7	Return on Capital Employed	15%	13%

#### **(j) RETURN ON NET WORTH**

Return on net worth as on 31st March 2020 is 11.60 % as compared to 9.65 % of previous year registered a growth of 20% owing to increase in profits.

#### **2. DISCLOSURE OF ACCOUNTING TREATMENT**

There has been no difference in the Accounting treatment from that of Accounting Standards. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA).

#### **CAUTIONARY STATEMENT**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

**For and on behalf of the Board of Directors  
Rithwik Facility Management Services Limited**

**Place: Chennai  
Date : 21/08/2020**

**Sd/-  
RithwikRajshekar Raman  
Managing Director  
DIN: 07836658**

**Sd/-  
NiranjanVyakarna Rao  
Whole Time Director  
DIN: 02918882**

## **ANNEXURE V**

### **NOMINATION AND REMUNERATION POLICY**

#### **1. Introduction**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### **2. Definitions**

- a. **‘Board’** means Board of Directors of the Company.
- b. **‘Directors’** means directors of the Company.
- c. **‘Committee’** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. **‘Company’** means Rithwik Facility Management Services Limited.
- e. **‘Independent Director’** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. **‘Key Managerial Personnel (KMP)’** means-
  - i) the Managing Director or Chief Executive Officer or manager
  - ii) Whole-time Director
  - iii) the Company Secretary;
  - iv) the Chief Financial Officer; and
  - v) Any other person as defined under the Companies Act, 2013 from time to time
- g. **“Senior Managerial Personnel”** means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

*Amended Policy effective from April 1, 2020*

- h. “Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- i. “Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **3. Constitution of the “Nomination & Remuneration Committee:**

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements. The composition of the Company shall be in line with the requirements of the Act and Listing Regulations.

The Company Secretary of the Company shall act as the Secretary of the Committee.

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continue unless terminated by the Board of Directors.

### **4. Key objectives of the Committee:**

- a) To guide the Board in relation to the appointment and changes in Directors and Key Managerial Personnel;
- b) To formulate criteria for determining qualifications, positive attributes and independence of directors;
- c) To specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- d) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors for their appointment and removal.

- e) To recommend the Board remuneration payable to the Directors and Key Managerial Personnel and Senior Management Personnel;
- f) Devising policy on diversity of Board of Directors
- g) To develop a succession plan for the Board and to regularly review the plan;
- h) To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- i) Consider any other matters as may be prescribed under the Act or Listing Regulations or as may be requested by the Board from time to time.

#### **5. Frequency of meetings:**

The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate with at least one meeting in a year.

The quorum for the Committee Meeting shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend the Annual General Meeting of the Company.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

The Nomination & Remuneration Committee shall establish a mechanism to carry out its functions, any /all of its powers to any of the Executive / Whole-time Directors and/or Senior Manager of the Company, as deemed necessary for proper and expeditious execution.

#### **6. Committee members interest:**

A member of the Committee is not entitled to participate in discussion on matters that affect his/her personal interest.

#### **7. Effective Date:**

This policy is effective from 11.10.2017.

## **8. Appointment and removal of Director, Key Managerial Personnel and Senior Management**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole- time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

## **9. Term / Tenure**

**a) Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:** An Independent Director shall be selected from ID databank maintained by Indian Institute of Corporate Affairs. The Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board' s report. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

## **10. Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## **11. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **12. Policy for Remuneration to Directors/ KMP/ Senior Management Personnel**

### **a) Remuneration to Managing Director / Whole-time Directors**

- i) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- ii) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **b) Remuneration to Non-Executive / Independent Directors**

- i) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- ii) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.



- iii) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- iv) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:
  - The Services are rendered by such Director in his capacity as the professional;
  - And In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

#### **c) Remuneration to Key Managerial Personnel and Senior Management**

- i) The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- ii) The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- iii) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

#### **13. Implementation**

- a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b) The Committee may Delegate any of its powers to one or more of its members.

**For and on behalf of the Board of Directors  
Rithwik Facility Management Services Limited**

**Place: Chennai  
Date : 20.01.2020**

**Sd/-  
Rithwik Rajshekar Raman  
Managing Director  
DIN: 07836658**

**Sd/-  
NiranjanaVyakarna Rao  
Whole Time Director  
DIN: 02918882**

## ANNEXURE VI

### STATEMENT OF INFORMATION TO BE FURNISHED PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 ("ACT") READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 and the percentage increase in remuneration of each Executive Director during the Financial Year 2019-20:

Name of Director / KMP and Designation	Ratio of remuneration of each Director/ to median remuneration of employees	Percentage increase in Remuneration in the FY 2019-20
Rithwik Rajshekar Raman, Managing Director	3.94	NIL
V Niranjan Rao, Whole time Director	13.79	NIL

- ii) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019-20:

Sr.No	Name and Designation	% increase in Remuneration
1	Tippavajjala Suresh Babu	5
2.	Subbiah Jayapandi	5

- (iii) The number of permanent employees on the roll of the Company as on March 31, 2020 were 93 and the median remuneration was Rs.25380/-
- (iv) Median remuneration of employees has increased by 16.68%.
- (v) The remuneration of Directors, Key Managerial Personnel's and other employees is in accordance with the Remuneration Policy of the Company.

**STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES UNDER SECTION 197(12) OF THE ACT, READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS ON MARCH 31, 2020.**

**A. Top Ten Employees in terms of remuneration drawn**

Sr No	Name	Age (in yrs)	Designation	Remuneration (in Rs)	Qualification	Date of Commencement of Employment	Experience(in years)	Last Employment held
1	V Niranjana Rao	53	Whole Time Director	4325000	Under Graduate	15-09-2010	34	Hanudev Construction Pvt Ltd
2	T Suresh Babu	47	Chief Financial Officer	1568000	B.Com	03-10-2017	24	RR Industries Ltd
3	S Jayapandi	40	Company Secretary	1336200	CS	03-10-2017	12	Rishabh Infopark Pvt Ltd
4	Rithwik Rajshekar Raman	25	Managing Director	1242500	B.B.A	03-10-2017	2.5	Nil
5	M Radhakrishnan	37	Electrical Manager	982500	B.E	01-06-2012	16	RR Industries Ltd
6	G Sridharan	42	HVAC-Manager	982500	DRAC,	01-06-2012	23	RR Industries Ltd
7	T Ramanan	37	Facility Manager	982500	B.TECH	01-07-2013	16	RR Infopark Pvt Ltd
8	Sarada Priyadarshini Giri	37	Accounts Manager	606300	B.Com	01-02-2016	6	GM Kapadia & Co
9	K Pradeep	47	Admin-Manager	501915	DCE	01-06-2012	12	RR Infopark Pvt Ltd
10	M J Sathish Kumar	41	HVAC-Sr Technician	491430	DRAC	01-02-2010	17	RR Industries Ltd

B. Employed throughout the year and were in receipt of remuneration of not less than Rs.1,02,00,000 (Rupees One Crore Two Lakh only) per annum.- NIL

C. Employed for part of the year and were in receipt of remuneration of not less than Rs.8,50,000 (Rupees Eight Lakh Fifty Thousand only) per month.-NIL

**Notes:**

1. Remuneration includes basic salary, allowances, leave travel allowances, company's contribution to provident fund and superannuation fund, leave encashment, reimbursements, monetary value of perquisites, wherever applicable, target variable pay etc.
2. None of the employees hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
3. All appointments are/were contractual in accordance with terms & conditions as per company rules.
4. None of the employee is a relative of any Director of the Company.

## **ANNEXURE-VII**

### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

**Rithwik Facility Management Services Limited**

CIN: L74900TN2010PLC074294

RR Tower III, Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai-600032.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rithwik Facility Management Services Limited (hereinafter called “the Company”). The 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.

Based on our verification of the Rithwik Facility Management Services Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliances – 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 maintained by Rithwik Facility Management Services Limited (“the Company”) for the Financial Year ended on 31st March, 2020 according to the provisions of :-

- (i) The Companies Act, 2013 (“the Act”) and Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;

- (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Financial Year 2019-2020);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year 2019-2020);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; **( Not applicable to the Company during the Financial Year 2019-2020);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Financial Year 2019-2020); and**
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
- i. The Micro, Small and Medium Enterprises Development Act, 2006; (Needs to be registered under this Act)
  - ii. The Tamil Nadu Shops and Establishment Act, 1947;
  - iii. Child Labour (Prohibition and Regulation) Act, 1986;
  - iv. Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979;

- v. Sexual Harassment at Workplace(Prevention, Prohibition and Redressal) Act,2013;
- vi. The Contract Labour (Regulation and Abolition)Act 1970;
- vii. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- viii. The Employees' State Insurance Act, 1948;
- ix. The Employees' Compensation Act, 1923;
- x. The Equal Remuneration Act, 1976;
- xi. The Maternity Benefit Act,1961;
- xii. The Minimum Wages Act,1948;
- xiii. The Payment of Bonus Act,1965;
- xiv. The Payment of Gratuity Act,1972;
- xv. The Employees Provident Funds and Miscellaneous Provisions Act,1952
- xvi. The Payment of Wages Act,1936
- xvii. Indian Contract Act,1872
- xviii. Industrial Dispute Act,1947 and other applicable labour laws.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the compliance by the Company of applicable fiscal laws, such as direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the Statutory Auditors.

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, 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

clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of :-

- (i) Redemption / Buy-back of Securities;
- (ii) Major decisions taken by the members pursuant to Section 180 of the Companies Act, 2013;
- (iii) Merger / Amalgamation / Reconstruction etc.

**Sd/-**  
**S Vasudevan**  
**Practicing Company Secretary**  
**FCS 6931, C.P. No. 20094**

**Date: 21-8-2020**  
**Place: Chennai**

## ANNEXURE VIII

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L74900TN2010PTC074294
2	Registration Date	18-01-10
3	Name of the Company	Rithwik Facility Management Services Limited
4	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5	Address of the Registered office & contact details	R R Tower III, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai, Tamil Nadu 600032
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, If Any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra, India Tel No. +91 22 6263 8200 Fax No. +91 22 6263 8299 Email: info@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com, SEBI Registration No.: INR000001385

### 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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Rental or leasing services of multiple use building	99721112	100.00%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-



#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual/ HUF	2,250,000		2,250,000	73.53	2,250,000		2,250,000	73.53	NIL
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Sub Total (A) (1)	2,250,000	-	2,250,000	73.53	2,250,000	-	2,250,000	73.53	NIL
(2) Foreign									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Any other									
Sub Total (A) (2)									
TOTAL (A)	2,250,000	-	2,250,000	73.53	2,250,000	-	2,250,000	73.53	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	220610	-	220610	7.20	48000	-	48000	1.56	(5.64)

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	369000	-	369000	12.05	486000	-	486000	15.88	3.83
c) Any Other Body Corporate (Including NBFC)	179999	--	179999	5.88	207000	--	207000	6.76	0.88
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	40391		40391	1.32	69000		69000	2.25	0.93
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>810,000</b>		<b>810,000</b>	<b>26.47</b>	<b>810,000</b>		<b>810,000</b>	<b>26.47</b>	<b>NIL</b>
<b>Total Public (B)</b>	<b>810,000</b>		<b>810,000</b>	<b>26.47</b>	<b>810,000</b>		<b>810,000</b>	<b>26.47</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b> <span style="float: right;"><b>NIL</b></span>									
<b>Grand Total (A+B+C)</b>	<b>3,060,000</b>	<b>-</b>	<b>3,060,000</b>	<b>100.00</b>		<b>-</b>		<b>100.00</b>	<b>NIL</b>

#### (ii) Shareholding of Promoter & Promoter Group

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rithwik Rajshekar Raman	1,102,500	36.03	-	1,102,500	36.03	-	NIL
2	Lalitha Raman	539,996	17.65	-	539,996	17.65	-	NIL
3	Mr. Ramaneeesh Ravi Raman	472,500	15.44	-	472,500	15.44	-	NIL
4	Shobana R Ravi representing Kaushika Family Trust	121,500	3.97	-	121,500	3.97	-	NIL
5	V Niranjana Rao	13,500	0.44	-	13,500	0.44	-	NIL
6	R Rajshekhar	1	0.00	-	1	0.00	-	NIL
7	Priya Rajshekhar	1	0.00	-	1	0.00	-	NIL
8	Ramanathan Sambasivan	1	0.00	-	1	0.00	-	NIL
9	Chitra Ramnathan	1	0.00	-	1	0.00	-	NIL

#### (iii) Change in Promoters' Shareholding- Rithwik Rajshekar Raman

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01-04-19		1102500	36.03%	1102500	36.03%
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year	31-03-20		1102500	36.03%	1102500	36.03%

**(iv) Change in Promoters' Shareholding- Niranjana Vyakarna Rao**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01-04-19		13,500	0.44%	13,500	0.44%
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year	31-03-20		13,500	0.44%	13,500	0.44%

**(v) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name- Novem Resources Private Limited						
	At the beginning of the year	01-04-2019	-	140999	4.61	140999	4.61
		17-May-2019	Buy	5988	0.19	146987	4.80
		24-May-2019	Buy	6000	0.2	152987	5.00
		31-May-2019	Buy	3000	0.1	155987	5.10
		14-Jun-2019	Buy	6000	0.2	161987	5.29
		21-Jun-2019	Buy	6000	0.2	167987	5.49
		28-Jun-2019	Buy	6000	0.2	173987	5.69
		05-Jul-2019	Buy	3000	0.1	176987	5.78
		16-Aug-2019	Buy	3000	0.1	179987	5.88
		06-Sep-2019	Buy	3000	0.1	182987	5.98
		27-Sep-2019	Buy	12	0.0004	182999	5.98
		30-Sep-2019	Sell	-12	0.0004	182987	5.98
		01-Nov-19	Buy	3000	0.1	185987	6.08
		13-Mar-20	Buy	13	0.0004	186000	6.08
	At the end of the year	31-Mar-20	-	0	0	186000	6.08
2	Name-Inventure Growth & Securities Limited						
	At the beginning of the year	01-04-2019	-	36000	1.17	36000	1.17
	At the end of the year	31-03-2020	-	36000	1.17	36000	1.17
3	Name-Rikhav Securities Limited						
	At the beginning of the year	01-04-2019	-	0		0	
		22-Nov-19	Buy	3000	0.10	3000	0.10
		29-Nov-19	Buy	9000	0.29	12000	0.39
		13-Dec-2019	Buy	6000	0.2	18000	0.59
		20-Dec-2019	Buy	12000	0.39	30000	0.98
		27-Dec-2019	Buy	6000	0.2	36000	1.18
		03-Jan-2020	Buy	3000	0.1	39000	1.27
		13-Mar-20	Buy	3000	0.1	42000	1.37

		27-Mar-20	Sell	-12000	0.39	30000	0.98
		31-Mar-20	Buy	3000	0.1	33000	1.08
		31-Mar-20		0		33000	1.08
4	Name- G Venkatasubramaniyan						
	At the beginning of the year	01-04-2019	-	-	-	-	-
		19-Jul-2019	Buy	9000	0.29	9000	0.29
		20-Dec-2019	Buy	3000	0.1	12000	0.39
		10-Jan-2020	Buy	3000	0.1	15000	0.49
		31-Jan-2020	Buy	3000	0.1	18000	0.59
		07-Feb-2020	Buy	3000	0.1	21000	0.69
	At the end of the year	31-Mar-20	-	0		21000	0.69
5	Name-R Sharmila						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
6	Name- Patel Kinjalben Babubhai						
	At the beginning of the year	01-04-2019		18000	0.59	18,000	0.59
		20-Mar-20	Sell	3000	0.1	15000	0.49
		27-Mar-20	Sell	3000	0.1	12000	0.39
	At the end of the year	31-Mar-20	-	-	-	12000	0.39
7	Name-Ranjit Patro						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
8	Name-V Hima Suganthi						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
9	Name- V Karthick						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
10	Name-Padma						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
11	Name-M Prathap						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
12	Name-N Bhuvaneswari						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
13	Name-K Deivanayaki						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
14	Name-Anandhapadmanaban V						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
15	Name-Thanjavur Venkatarama Bhasker Srinivasa						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59

16	Name-Venkatasubramaniam Meenakshi						
	At the beginning of the year	01-04-2019	-	12,000	0.39	12000	0.39
		28-Feb-2020	Buy	3,000	0.1	15000	0.49
		20-Mar-20	Buy	3,000	0.1	18000	0.59
	At the end of the year	31-Mar-20	-			18000	0.59
17	Name-V C Padma Priya						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
18	Name-M Johnson Premkumar						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
	At the end of the year	31-03-2020	-	18,000	0.59	18,000	0.59
19	Name-Centillion Capital Private Limited						
	At the beginning of the year	01-04-2019	-	18000	0.59	18,000	0.59
		31-May-2019	Sell	-3000	0.1	15000	0.49
		21-Jun-2019	Sell	-3000	0.1	12000	0.39
		05-Jul-2019	Sell	-3000	0.1	9000	0.29
	At the end of the year	12-Jul-2019	Sell	-3000	0.1	6000	0.20
	At the end of the year	31-Mar-20	-	-	-	6000	0.20

**(vi) Shareholding of Directors and Key Managerial Personnel**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name- V Niranjan Rao						
	At the beginning of the year	01-04-19		13,500	0.44	13,500	0.44
	At the end of the year	31-03-20		13,500	0.44	13,500	0.44%
2	Name-Rithwik Rajshekhar Raman						
	At the beginning of the year	01-04-19		1,102,500	36.03	1,102,500	36.03
	At the end of the year	31-03-20		1,102,500	36.03	1,102,500	36.03

**V. INDEBTEDNESS**

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

(Amt. Rs./INR)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i)Principal Amount	76,14,884	0		76,14,884
ii)Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>76,14,884</b>	<b>0</b>		<b>76,14,884</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction	28,60,743	0		28,60,743
<b>Net Change</b>	<b>28,60,743</b>	<b>0</b>		<b>28,60,743</b>

Indebtedness at the end of the financial year				
i) Principal Amount	47,54,141	0		47,54,141
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	47,54,141	0		47,54,141

#### VI. Remuneration of Directors and Key Managerial Personnel

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

SN.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
	Name	Niranjan Vyakarna Rao	Rithwik Rajshekar Raman	(Rs/INR)
	Designation	Whole Time Director	Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,25,000.00	12,42,500.00	55,67,500.00
	(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	-	-	-
	Commission	-	-	-
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>43,25,000.00</b>	<b>12,42,500.00</b>	<b>55,67,500.00</b>
	Ceiling as per Schedule V of the Companies Act,2013			<b>84,00,000.00</b>

#### B. Remuneration to other Directors – NIL

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/INR)
1	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	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				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	-	T Suresh Babu	Subbiah Jayapandi	(Rs/INR)
	Designation	CEO	CFO	CS	
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		15,68,000.00	13,36,200.00	29,04,200.00
	(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	Others, please specify		-	-	-
	<b>Total</b>		<b>15,68,000.00</b>	<b>13,36,200.00</b>	<b>29,04,200.00</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

**For and on behalf of the Board of Directors  
Rithwik Facility Management Services Limited**

**Place: Chennai  
Date : 21/08/2020**

**SD/-  
Rithwik Rajshekar Raman  
Managing Director  
DIN: 07836658**

**SD/-  
Niranjan Vyakarna Rao  
Whole Time Director  
DIN: 02918882**

## ANNEXURE IX

### 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.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain armslength transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N/A
b)	Nature of contracts/arrangements/transaction	N/A
c)	Duration of the contracts/arrangements/transaction	N/A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
e)	Justification for entering into such contracts or arrangements or transactions'	N/A
f)	Date of approval by the Board	N/A
g)	Amount paid as advances, if any	N/A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N/A

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N/A
b)	Nature of contracts/arrangements/transaction	N/A
c)	Duration of the contracts/arrangements/transaction	N/A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
e)	Date of approval by the Board	N/A
f)	Amount paid as advances, if any	N/A

**For and on behalf of the Board of Directors  
Rithwik Facility Management Services Limited**

**Place: Chennai  
Date : 21/08/2020**

**Sd/-  
RithwikRajshekar Raman  
Managing Director  
DIN: 07836658**

**Sd/-  
NiranjanVyakarna Rao  
Whole Time Director  
DIN: 02918882**



## **ANNEXURE X**

### **MD AND CFO CERTIFICATION**

The Board of Directors,  
**Rithwik Facility Management Services Limited**  
R R Tower III, Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai-600 032

We, Rithwik Rajshekar Raman, Managing Director and Tippavajjala Suresh Babu, Chief Financial Officer of Rithwik Facility Management Services Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2020 and that to the best of our knowledge and belief:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended on March 31, 2020 which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept overall responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and that we have disclosed to the statutory auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We indicate to the auditors and to the audit committee:

a) Significant changes in internal control over financial reporting during the year;

b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

**For Rithwik Facility Management Services Limited**

**Place : Chennai**  
**Date: 21/08/2020**

**Sd/-**  
**Rithwik Rajshekar Raman**  
**Managing Director**  
**DIN: 07836658**

**Sd/-**  
**Tippavajjala Suresh Babu**  
**Chief Financial Officer**  
**DIN: 02918882**



**KALYANASUNDARAM & ASSOCIATES**  
Chartered Accountants  
31/14, Krishnaswamy Avenue,  
Luz, Mylapore,  
Chennai – 600004.  
E-Mail: [gopal@ksaca.com](mailto:gopal@ksaca.com)  
PAN No. AAEFK3741J

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of RITHWIK FACILITY MANAGEMENT SERVICES LIMITED

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **Rithwik Facility Management Services Limited** (the "Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss for the year then ended, its cash flows for the year ended on that date and notes to the financial statements, including a summary of 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, 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 March 31, 2020, and its Profit for the year ended on that date and the cash flows 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 Standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements section in 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 financial statements under the provisions 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.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions 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.

#### **Report on Other Legal and Regulatory Requirements**

1. 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 purposes 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

- i. The Company does not have any pending litigations which would impact its financial position.
- 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.

3. Provisions of "The Companies (Auditor's Report) Order, 2016", issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order') we give in the Annexure B, a statement of matters specified in the paragraph 3 and 4 of the Order, to the extent applicable to the Company during the year under audit.

**For Kalyanasundaram & Associates**  
**Chartered Accountants**

**Sd/-**  
**T R Gopalakrishnan**  
**Partner**  
**M.no. 207024**  
**Dated: 13<sup>th</sup> July 2020**  
**UDIN:207024AAAAW5734**

## **Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of Rithwik Facility Management Services Limited**

### **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 Rithwik Facility Management Services Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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, 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 over financial reporting 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 Companies 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 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kalyanasundaram & Associates**  
**Chartered Accountants**  
FRN No. 05455S

**Sd/-**  
**T R Gopalakrishnan**  
**Partner**  
Membership No.207024

Place: Chennai  
Date: 13<sup>th</sup> July 2020  
UDIN:207024AAAAAW5734



## **Annexure – B to the Auditors' Report**

The Annexure A referred to in paragraph 1 of our report of even date to the members of RITHWIK FACILITY MANAGEMENT SERVICES LIMITED on the accounts of the company for the year ended 31st March 2020.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) Fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.  
  
(c) The Company does not own any immovable property. Hence, paragraph 3(i) (c) of the Order is not applicable.
2. The Company does not hold any inventories. Hence, paragraph 3(ii) of the Order is not applicable.
3. The Company has not granted loans, unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
4. The Company has not granted loans to its directors, made any investments in other entities, nor extended any guarantee or security. Hence paragraph 3(iv) of the Order is not applicable.
5. The Company has not accepted deposits. Accordingly, paragraph 3(v) of the Order is not applicable.
6. Maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act. Hence such accounts and records have not been made and maintained.
7. (a) The company is regular in depositing undisputed statutory dues including duty of customs, duty of excise, value added tax, provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, GST, cess and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
(b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or GST or cess which has not been deposited on account of any dispute.

8. The Company has not defaulted in repayment of loans or borrowing to a financial institutions and banks.
9. The Company has not raised money by way of public offer during the year. Hence this paragraph 3(ix) of the Order is not applicable.
10. No fraud on or by the company has been noticed or reported during the year.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where ever applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. The Company has not made any preferential allotment or private placement of shares during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. The Company has not entered into any 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.

**FOR KALYANASUNDARAM & ASSOCIATES**

**Chartered Accountants**

**FRN No. 05455S**

**Sd/-**

**T.R.GOPALAKRISHNAN**

**Partner**

**Membership No.207024**

Place: Chennai

Dated: 13<sup>th</sup> July 2020

UDIN: 207024AAAAAW5734

**RITHWIK FACILITY MANAGEMENT SERVICES LIMITED**  
(Formerly known as Rithwik Building Services Private Limited)

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2020**

Particulars	Notes	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
<b>1. EQUITY AND LIABILITIES</b>			
<b>i. Shareholders' Funds</b>			
a) Share Capital	2	3,06,00,000	3,06,00,000
b) Reserves & Surplus	3	10,98,44,488	9,35,46,998
Sub Total		<b>14,04,44,488</b>	<b>12,41,46,998</b>
<b>ii. Non-Current Liabilities</b>			
a) Long-term Borrowings	4	9,54,601	36,48,024
c) Long-term Provisions	6	46,16,520	33,45,582
Sub Total		<b>55,71,121</b>	<b>69,93,606</b>
<b>iii. Current Liabilities</b>			
a) Short-term Borrowings	7	1,00,000	-
b) Trade Payables	8	53,58,964	24,73,687
c) Other Current Liabilities	9	2,07,55,556	1,98,04,260
Sub Total		<b>2,62,14,520</b>	<b>2,22,77,947</b>
<b>TOTAL</b>		<b>17,22,30,128</b>	<b>15,34,18,550</b>
<b>2. ASSETS</b>			
<b>i. Non-Current Assets</b>			
a) Fixed assets:	10		
Tangible assets		1,57,52,515	1,82,41,662
b) Deferred tax Asset	5	12,49,048	10,00,086
c) Other Non Current Asset	11	10,50,00,000	9,00,00,000
Sub Total		<b>12,20,01,563</b>	<b>10,92,41,748</b>
<b>ii. Current Assets</b>			
a) Trade Receivables	12	56,74,448	99,57,837
b) Cash and Cash Equivalents	13	2,26,76,750	1,25,30,980
c) Short-term Loans and Advances	14	15,85,415	26,27,779
d) Other Current Assets	15	2,02,91,952	1,90,60,206
		<b>5,02,28,565</b>	<b>4,41,76,802</b>
<b>TOTAL</b>		<b>17,22,30,128</b>	<b>15,34,18,550</b>

For Kalyanasundaram & Associates,  
Chartered Accountants  
FRN: 005455S

For and on behalf of the Board of Directors

Sd/-  
T R Gopalakrishnan  
Partner  
M No. 207024

Sd/-  
Rithwik Rajshekar  
Raman  
Managing Director  
DIN-07836658

Sd/-  
Niranjan Rao  
Director  
DIN-02918882

Sd/-  
S Jayapandi  
Company  
Secretary  
M No. A21909

Sd/-  
T. Suresh Babu  
CFO

Place : Chennai  
Date : 13 July 2020

**RITHWIK FACILITY MANAGEMENT SERVICES LIMITED**  
(Formerly known as Rithwik Building Services Private Limited)

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

Particulars	Notes	Year Ended 31-Mar-20 Rs.	Year Ended 31-Mar-19 Rs.
<b>REVENUE</b>			
a) Revenue from Operations	16	26,25,96,710	27,28,22,303
c) Other Income	17	-	-
		<b>26,25,96,710</b>	<b>27,28,22,303</b>
<b>EXPENSES</b>			
a) Operating Expenses	18	18,26,84,681	20,41,09,786
b) Employees' Benefit Expenses	19	4,12,60,000	3,84,20,944
c) Finance Cost	20	8,48,500	13,10,706
d) Depreciation	10	33,31,710	30,78,978
e) Other Expenses	21	1,24,59,282	89,40,882
		<b>24,05,84,173</b>	<b>25,58,61,296</b>
<b>Profit Before Tax</b>		<b>2,20,12,537</b>	<b>1,69,61,008</b>
<b>Tax Expenses</b>			
a) Current Income Tax		59,68,414	49,49,643
b) Deferred Tax/(Reversal)		(2,48,961)	25,628
<b>Total</b>		<b>57,19,453</b>	<b>49,75,271</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>1,62,93,084</b>	<b>1,19,85,737</b>
 <b>Basic Earning Per Share</b>	<b>22</b>	<b>5.32</b>	<b>3.92</b>
<b>Diluted Earning Per Share</b>	<b>22</b>	<b>5.32</b>	<b>3.92</b>

**For Kalyanasundaram & Associates,**  
**Chartered Accountants**  
**FRN: 005455S**

**For and on behalf of the Board of Directors**

Sd/-  
**T R Gopalakrishnan**  
Partner  
M No. 207024

Sd/-  
**Rithwik Rajshekar Raman**  
Managing Director  
DIN-07836658

Sd/-  
**Niranjan Rao**  
Director  
DIN-02918882

Sd/-  
**S Jayapandi**  
Company Secretary  
M No. A21909

Sd/-  
**T.Suresh Babu**  
CFO

Place : Chennai  
Date : 13 July 2020

**RITHWIK FACILITY MANAGEMENT SERVICES LIMITED**  
(Formerly known as Rithwik Building Services Private Limited)

**CASH FLOW STATEMENT FOR YEAR ENDED AS ON 31ST MARCH 2020**

Particulars		Year ended 31st March 2020		Year ended 31st March 2019	
		Rs	Rs	Rs	Rs
Net Profit before taxation			2,20,12,537		1,69,61,008
<u>Add Back:</u>					
Depreciation on Fixed Assets		33,31,710		30,78,978	
Interest Paid		8,48,500	41,80,210	13,10,706	43,89,684
<b>CASH GENERATED BEFORE WORKING CAPITAL CHANGES</b>					
- Decrease/(Increase) in trade receivables		42,83,390		(13,16,540)	
- Decrease/(Increase) in short-term loans and advances		10,42,364		5,08,898	
- Decrease/(Increase) in other current assets		(12,31,747)		39,07,967	
- Increase/(Decrease) in trade payables		28,85,277		(49,97,632)	
- Increase/(Decrease) in short term borrowings		1,00,000		(24,39,349)	
- Increase/(Decrease) in other current liabilities		9,51,296		22,63,861	
			80,30,581		(20,72,796)
<b>CASH GENERATED FROM OPERATIONS</b>					
Add: excess provision of income tax			4,406		(1,14,916)
Less: Income tax Paid(As per assessment year)			59,68,414		57,04,537
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	A		2,82,59,320		1,34,58,443
<u>Cash Inflow from Investing Activities</u>					
Sale of Fixed Assets			10,17,282		
<u>Cash Outflow from Investing Activities</u>					
Purchase of fixed assets			(18,59,847)		(8,08,563)
Increase in other non current Asset			(1,50,00,000)		(4,25,00,000)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	B		(1,58,42,565)		(4,33,08,563)
<u>Cash Inflow from Financing activities</u>					
Fresh Borrowings during the year			(26,93,423)		(38,70,137)
Increase/(Decrease) in other non-current Liabilities			12,70,938	1,14,149	(37,55,988)
<u>Cash Outflow from Financing activities</u>					
Interest and other finance costs			8,48,500	13,10,706	13,10,706
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	C		(22,70,985)		(50,66,695)
<b>NET INCREASE/(DECREASE) IN CASH/CASH EQUIVALENT(A+B+C)</b>			1,01,45,770		(3,49,16,814)
<b>ADD: BALANCE AT THE BEGINNING OF THE YEAR</b>			1,25,30,980		4,74,47,795
<b>CASH AND CASH EQUIVALENT AT THE CLOSE OF THE YEAR</b>			2,26,76,750		1,25,30,980

For Kalyanasundaram & Associates,  
Chartered Accountants  
FRN: 005455S

For and on behalf of the Board of Directors

Sd/-  
T R Gopalakrishnan  
Partner  
M No. 207024

Sd/-  
RithwikRajshekar  
Raman  
Managing Director  
DIN-07836658

Sd/-  
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Director  
DIN-02918882

Sd/-  
S Jayapandi  
Company  
Secretary  
M No. A21909

Sd/-  
T.SureshBabu  
CFO

Place : Chennai  
Date : 13 July 2020

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note - 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

#### **(Annexed to and forming part of the financial statements for the year ended 31st March, 2020)**

**I. BASIS OF PREPARATION:** The financial statements of the company have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ('the Act'), as applicable. The accounting policies have been consistently applied by the company.

**II. USE OF ESTIMATES:** The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

**III. CASH FLOW STATEMENTS (AS - 3):** Cash Flow Statement has been prepared under Indirect Method. Cash and Cash Equivalents comprise Cash in Hand, Current and Other Accounts (including Fixed Deposits) held with banks.

**IV EVENT OCCURRING AFTER BALANCE SHEET DATE (AS-4):** a) Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

**V. NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES (AS-5):** Extra-ordinary Items, and Prior Period Incomes and Expenditures, are accounted in accordance with Accounting Standard 5.

**VII. RECOGNITION OF INCOME (AS-9):**

a) Income from operation are accounted net of service tax on accrual basis.

b) Dividend from investments is recognized when the right to receive the payment is established.

C) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss."

**VIII. Property, Plant and Equipment (AS- 10):** The carrying value of plant, property and equipment are stated at cost of acquisition or construction less accumulated depreciation as on 31st March 2019. The Assets are depreciated over their useful life in accordance with the provision of schedule II of Companies Act 2013. The cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction. Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

**IX. FOREIGN CURRENCY TRANSLATIONS (AS-11) :**

(i) All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

(ii) Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

(iii) All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

**X. EMPLOYEE BENEFITS (AS-15):**

**Retirement Benefit:** Retirement benefits in the form of Provident / Pension Fund is accounted on accrual basis and charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

**Gratuity:** Gratuity liability is calculated as per the Provisions of Gratuity Act, 1972 on the 15 days salary for each completed year of service for the employees who have completed one year of service. The gratuity liability is charged to the Profit and Loss Account of the year.

**XI. ACCOUNTING FOR LEASE (AS-19):**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Where the Company is lessee- Operating Lease, Lease rentals in respect of assets taken on operating lease are charged to statement of profit and loss over the lease term on monthly basis

## **XII. EARNING PER SHARE (AS -20):**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Net profit or loss is computed after providing the deduction for preference dividends and any tax thereto.

## **XIII. TAXATION (AS -22):**

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date."

## **XIV. IMPAIRMENT OF ASSETS (AS -28):**

The Company determines the Impairment of Assets based on Cash Generating Units. For this purpose, the Cash Generating Units have been based on segments of operations ."

## **XV. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29):**

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements."



## RITHWIK FACILITY MANAGEMENT SERVICES LIMITED

Notes to Financial Statements for the Period ended 31st March, 2020

### Note 2 : Share Capital

<u>Particulars</u>	As at 31st March, 2020	As at 30th March, 2019
--------------------	---------------------------	---------------------------

#### A. Authorised Share Capital

##### Equity Share Capital

40,00,000 Equity Shares of Rs. 10/- Each	4,00,00,000	1,10,00,000
	<b>4,00,00,000</b>	<b>1,10,00,000</b>

#### B. Issued, Subscribed & Paid-up Share Capital

##### Equity Share Capital

30,60,000 Equity Shares of Rs. 10/- Each	3,06,00,000	3,06,00,000
	<b>3,06,00,000</b>	<b>3,06,00,000</b>

#### C. Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

##### Equity shares

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,60,000	3,06,00,000	30,60,000	3,06,00,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>30,60,000</b>	<b>3,06,00,000</b>	<b>30,60,000</b>	<b>3,06,00,000</b>

#### D. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Re. 10 per share. Each holder of equity share is entitled to one vote per share and also entitled for a dividend at the proportionate rate when ever the Company declares it.

#### E. Details of Shareholders holding 5% or more shares in the Company

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	% of Holding	Number	Amount
RithwikRajasekhar Raman	1,102,500	36%	1,102,500	36%
Lalitha Raman	539,996	18%	539,996	18%
Ramaneesh Ravi Raman	472,500	15%	472,500	15%

**Note 3 :RESERVES AND SURPLUS**

Reserves & Surplus	As at 31st March , 2020	As at 31st March , 2019
<b>Statement of Profit &amp; Loss</b>		
Opening balance	9,35,46,998	8,24,31,071
Add/Less : Provision created for earlier year Income tax and interest	4,406	(8,69,810)
(+) Net Profit for the current year	1,62,93,084	1,19,85,737
Closing Balance	<b>10,98,44,488</b>	<b>9,35,46,998</b>

**Note 4 - LONG-TERM BORROWINGS**

	As at 31st March, 2020	As at 31st March, 2019
<b>Term Loan:</b>		
From Banks and from financial Institutions	47,54,141	76,14,884
	<b>47,54,141</b>	<b>76,14,884</b>
Secured borrowings	47,54,141	76,14,884
Unsecured borrowings	-	-
Less: Amount disclosed under the head Other Current Liabilities	37,99,540	39,66,860
	<b>9,54,601</b>	<b>36,48,024</b>

<b>Name of the Bank</b>	<b>AXIS BANK</b>	<b>Type of Loan</b>	<b>Vehicle Loan</b>
<b>Current Year Balance (Rs.)</b>	<b>8,39,523</b>	Amount sanctioned	24,40,000
<b>Previous Year Balance (Rs.)</b>	<b>14,92,371</b>	Sanction Date	29 June 2017
<b>Security Details:</b>		Current Interest rate	9.01%
The loan is secured against vehicle		Total No. of Instalments	47
		No. of instalments paid	32
		No. of balance instalments to be paid	15
		Amount of instalment	63,397
		Repayment type	Monthly
		Interest payment type	Monthly

<b>Name of the Bank</b>	<b>ICICI Bank Limited</b>	<b>Type of Loan</b>	<b>Vehicle Loan</b>
<b>Current Year Balance (Rs.)</b>	<b>13,94,967</b>	Amount sanctioned	17,00,000
<b>Previous Year Balance (Rs.)</b>	<b>-</b>	Sanction Date	16 April 2019
<b>Security Details:</b>		Current Interest rate	10.02%
The loan is secured against vehicle		Total No. of Instalments	46
		No. of instalments paid	10
		No. of balance instalments to be paid	36
		Amount of instalment	45,030
		Repayment type	Monthly
		Interest payment type	Monthly

<b>Name of the Institution</b>	<b>Magma Fincorp Ltd</b>	<b>Type of Loan</b>	<b>Generator Loan</b>
<b>Current Year Balance (Rs.)</b>	<b>11,68,170</b>	Amount sanctioned	39,50,000
<b>Previous Year Balance (Rs.)</b>	<b>24,12,659</b>	Sanction Date	06 February 2018
<b>Security Details:</b>		Current Interest rate	13.05%
The loan is secured against plant and machinery		Total No. of Instalments	35
		No. of instalments paid	25
		No. of balance instalments to be paid	10
		Amount of instalment	1,57,437
		Repayment type	Monthly
		Interest payment type	Monthly

<b>Name of the Institution</b>	<b>Magma Fincorp Ltd</b>	<b>Type of Loan</b>	<b>Generator Loan</b>
<b>Current Year Balance (Rs.)</b>	<b>13,51,481</b>	Amount sanctioned	54,50,000
<b>Previous Year Balance (Rs.)</b>	<b>33,28,832</b>	Sanction Date	06 February 2018
<b>Security Details:</b>		Current Interest rate	13.05%
The loan is secured against plant and machinery		Total No. of Instalments	35
		No. of instalments paid	25
		No. of balance instalments to be paid	10
		Amount of instalment	2,17,223
		Repayment type	Monthly
		Interest payment type	Monthly

**Note 5 - DEFERRED TAX LIABILITY / (ASSET)**

<u>Details</u>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Opening Balance	(10,00,086)	(10,25,714)
Add: Deferred tax liability (Asset)	(2,48,961)	25,628
	<b>(12,49,048)</b>	<b>(10,00,086)</b>

**Note 6 - LONG-TERM PROVISIONS**

	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Provision for Gratuity	46,16,520	33,45,582
	<b>46,16,520</b>	<b>33,45,582</b>

**Note 7 - SHORT-TERM LIABILITIES**

<u>Details</u>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Security deposits repayable on demand: From Companies	1,00,000	-
	<b>1,00,000</b>	<b>-</b>

**Note 8 - TRADE PAYABLES**

<u>Details</u>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Trade payables		
Due to MSME	30,23,706	-
Due to creditors other than MSME	23,35,259	24,73,687
	<b>30,23,706</b>	<b>24,73,687</b>

**Note 9 - OTHER CURRENT LIABILITIES**

<u>Details</u>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Expenses Payable	1,49,10,912	1,41,61,646
GST payable	16,11,819	12,33,152
TDS Payable	4,33,285	4,42,601
Current maturities of long-term borrowings	37,99,540	39,66,860
	<b>2,07,55,556</b>	<b>1,98,04,259</b>

**Note 11- OTHER NON CURRENT ASSET**

<u>Details</u>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Security Deposit and other deposits	10,50,00,000	9,00,00,000
	<b>10,50,00,000</b>	<b>9,00,00,000</b>

**Note 12 - TRADE RECEIVABLES**

	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Trade receivables	56,74,448	99,57,837
	<b>56,74,448</b>	<b>99,57,837</b>

**Note 13 - CASH AND CASH EQUIVALENTS**

	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Cash on Hand	1,86,238	2,15,238
Balance with banks: In current accounts	2,24,90,513	1,23,15,742
	<b>2,26,76,750</b>	<b>1,25,30,980</b>

**Note 14 - SHORT-TERM LOANS AND ADVANCES**

	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Security and other Deposit	5,55,000	5,55,000
Advance to Vendors - Trade	1,18,616	8,59,279
Advance to Employees	9,11,799	12,13,500
	<b>15,85,415</b>	<b>26,27,779</b>

#### Note 15 - OTHER CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expenses	9,96,296	12,55,092
TDS Receivable	11,82,724	13,33,199
GST - ITC	12,10,893	11,40,608
Service Tax Input Credit ( Trans Credit)	5,94,323	5,94,323
Other Receivables	1,63,07,717	1,47,36,984
	<b>2,02,91,952</b>	<b>1,90,60,206</b>

#### Note 16 - REVENUE FROM OPERATIONS

Details	As at 31st March, 2020	As at 31st March, 2019
Revenue From Maintenance	9,33,91,837	8,79,26,661
Revenue From Power Supply	16,79,00,017	15,30,80,545
Revenue From Turn key Project	13,04,855	3,18,15,097
	<b>26,25,96,710</b>	<b>27,28,22,303</b>

#### Note 17 - OTHER INCOME

Details	As at 31st March, 2020	As at 31st March, 2019
Other non-operating income	-	-
	<b>-</b>	<b>-</b>

#### Note 18 - OPERATING EXPENSES

Details	As at 31st March, 2020	As at 31st March, 2019
Facility Operating Expenses	4,39,05,405	4,73,74,505
Expenses Against Power Supply	13,87,79,276	12,94,69,419
Expenses Against Turn key Project	-	2,72,65,862
	<b>18,26,84,681</b>	<b>20,41,09,786</b>

#### Note 19 - EMPLOYEE BENEFITS EXPENSES

Details	As at 31st March, 2020	As at 31st March, 2019
Salaries & Allowances	3,11,32,839	2,94,10,139
Director Remuneration	54,00,000	52,20,000
Sitting Fees	1,65,000	1,10,000
Contribution to PF and ESI	21,85,575	21,71,193
Welfare Expenses	10,30,792	12,96,341
Gratuity	13,45,794	2,13,271
	<b>4,12,60,000</b>	<b>3,84,20,944</b>

#### Note 20 - INTEREST & FINANCE CHARGES

Details	As at 31st March, 2020	As at 31st March, 2019
Interest on Vehicle and Generator	8,15,079	12,97,914
Bank Charges	33,421	12,792
	<b>8,48,500</b>	<b>13,10,706</b>

#### Note 21 - OTHER EXPENSES

Details	As at 31st March, 2020	As at 31st March, 2019
Office and Administrative Expenses	1,24,59,282	89,40,882
	<b>1,24,59,282</b>	<b>89,40,882</b>

RITHWIK FACILITY MANAGEMENT SERVICES LIMITED  
Notes to Financial Statements for the period ended 31st March, 2020  
Note 10 - Fixed Assets

Particulars	Gross Block as on				Depreciation up to				Net Block as at	
	01-Apr-19	Additions	Deletions	31-Mar-20	01-Apr-19	For the year	Deletion	31-Mar-20	31-Mar-20	31-Mar-19
Air Conditioners	11,26,407	-	-	11,26,407	3,07,088	75,740	-	3,82,828	7,43,579	8,19,319
Plant & Machinery	1,15,22,643	-	-	1,15,22,643	13,08,268	7,76,229	-	20,84,497	94,38,146	1,02,14,375
Furnitures	3,63,916	7,839	-	3,71,755	1,21,318	36,610	-	1,57,928	2,13,827	2,42,599
Vehicles	1,56,35,541	16,79,063	38,33,758	1,34,80,845	94,58,082	20,84,441	28,16,476	87,26,047	47,54,798	61,77,460
Computers	17,08,231	1,72,946	-	18,81,177	9,20,320	3,58,690	-	12,79,010	6,02,166	7,87,911
<b>Total</b>	<b>3,03,56,740</b>	<b>18,59,847</b>	<b>38,33,758</b>	<b>2,83,82,827</b>	<b>1,21,15,077</b>	<b>33,31,710</b>	<b>28,16,476</b>	<b>1,26,30,311</b>	<b>1,57,52,515</b>	<b>1,82,41,662</b>

**RITHWIK FACILITY MANAGEMENT SERVICES LIMITED**  
(Formerly known as Rithwik Building Services Private Limited)  
**Notes to Financial Statements for the period ended 31st March, 2020**  
**Additional Notes/Information**

**Note 22 - EARNINGS PER SHARE**

Details	As at 31st March, 2020
Net profit as per Statement of Profit and Loss	1,62,93,084
Net profit available to Equity Share holders	1,62,93,084
No. of equity shares at year end	30,60,000
Weighted average number of Equity shares used	30,60,000
Face value per Equity Share	10
Basic Earnings per Share	5.32

**Note - 23** No material Impairment of Assets has been identified by the Company as such and no provision is required as per Accounting Standards (AS 28) issued by the Institute of Chartered Accountants of India.

**Note - 24 RELATED PARTY DISCLOSURE**

**A. Parties where control exists**

i.Share holder holding substantial interest

Rithwik Rajasekhar Raman - holding 36% of the shares.

ii.Key Managerial Personnel

Niranjan Rao - Director

Rithwik Rajashekar Raman - Managing Director

(Deemed as a KMP based on the authority & responsibility as per the Explanation to Paragraph-14 of AS-18)

**B. Transactions carried out with related parties referred in "A" above, in ordinary course of business:**

Nature of transactions	Related parties (Amount in Rs.)
	Key Managerial Personnel
Director Remuneration Rs.	54,00,000
Remuneration to KMP Rs.	27,97,200

**C. Outstanding at the period end with related parties referred in "A" above, in ordinary course of business:**

Nature of transactions	Related parties (Amount in Rs.)
	Key Managerial Personnel
Director Remuneration Payable	4,50,000
Remuneration to KMP Payable	2,33,100

**Note - 25 EXPENDITURE IN FOREIGN CURRENCY**

Details	Year ended 31st March 2020
Travelling and accommodation Expenses	49,94,874

**Note - 25 CONTINGENT LIABILITIES**

Matters	Current year
<u>i) Claims not Acknowledged as debts:</u>	
Claim against company under Income Tax Act	
AY 2017 - 18	11,09,052
AY 2018 - 19	4,81,589

The Company has preferred an appeal in CIT(A) against the demand raised by the Assessing Officer in the above two Assessment Years for which the hearing is still pending.

**Note - 26 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Based on and to the extent of information received from the Suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31st March 2020 are furnished below:

Details	31st March, 2020
Dues outstanding as at the end of the period for more than 45 days	NIL

**Note - 27 PAYMENT TO AUDITORS**

Particulars	Year Ended 31st March 2020
Statutory Audit Fees	75,000
Tax Audit Fees	30,000
Internal Audit Fees	50,000
Special Audit Fees	30,000
<b>TOTAL</b>	<b>1,85,000</b>

**Note - 28 PREVIOUS YEAR FIGURES**

The previous year figure have been regrouped, reworked and reclassified, wherever necessary.

**For Kalyanasundaram & Associates,  
Chartered Accountants  
FRN: 005455S**

**For and on behalf of the Board of Directors**

**Sd/-  
T R Gopalakrishnan  
Partner  
M No. 207024**

**Sd/-  
Rithwik Rajshekar  
Raman  
Managing Director  
DIN-07836658**

**Sd/-  
Niranjan Rao  
Director  
DIN-02918882**

**Sd/-  
S Jayapandi  
Company  
Secretary  
M No. A21909**

**Sd/-  
T. Suresh Babu  
CFO**

Place : Chennai  
Date : 13 July 2020