

Date: August 24, 2021

To
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051
Symbol: **KAPSTON**

Sub: Submission of Annual Report for the Financial Year 2020-21 along with the Notice of AGM.

Dear Sir/Madam,

We hereby inform you that the 13th Annual General Meeting ("AGM") of the members of the Company will be held on Saturday, September 18, 2021, at 11.00. A.M. (IST) at the Corporate office of the Company situated at Plot No. 75, Kavuri Hills, Madhapur, Hyderabad, Telangana – 500 034.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the financial year 2020-21 (Including Notice of the AGM).

We further inform you that the 13th Annual Report (including Notice of the AGM) has been sent, through email to the members on August 24, 2021.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at <http://kapstonfm.com/images/PDF/2021/August2021/Annual%20Report%202020-21.pdf>

Kindly take the above information on record.

Thanking you,
for Kapston Facilities Management Limited


Kinkeri Vyshali
Company Secretary and Compliance Officer
M.No. A66392



REGISTERED OFFICE: #287, MIG -2, IX Phase, KPHB, Hyderabad, Telangana - 500 072, **Ph:** 98487 78241

CORPORATE OFFICE: Plot no: 75 , Kavuri Hills, Madhapur, Hyderabad, Telangana - 500 034, **Ph:** 9848778243

Control Room: +91 96 4050 4050 (24x7), **E-mail:** info@kapstonfm.com **WEBSITE:** www.kapstonfm.com

CIN. No. L15400TG2009PLC062658

Annual Report 2021

ADVANCING DESPITE ADVERSITY



TABLE OF CONTENTS

01

ADVANCING DESPITE ADVERSITY

02

ABOUT US

04

Competitive Advantages

05

FINANCIAL HIGHLIGHTS

06

OUR SERVICES

07

Emerging Service Staffing Services

08

MESSAGE FROM THE CHAIRMAN

10

REVIEW BY THE MANAGING DIRECTOR

12

BOARD OF DIRECTORS

13

CORPORATE INFORMATION

14

MANAGEMENT DISCUSSION AND ANALYSIS

17

DIRECTOR'S REPORT

58

INDEPENDENT AUDITOR'S REPORT

66

BALANCE SHEET

67

STATEMENT OF PROFIT AND LOSS

68

CASH FLOW STATEMENT

69

NOTES TO THE FINANCIAL STATEMENTS

96

NOTICE

Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

ADVANCING DESPITE ADVERSITY

Since inception Kapston Facilities Management Limited has exhibited the much-needed operational agility and innovation to stay ahead of the curve. The core of the company's competitive advantage is its expanded portfolio of services and its ability to diversify in value added and related services. In FY21 -staffing solutions, a new vertical was added which turned out to be a sustainable business segment.

For Business and people FY21 had been a year of challenges triggered by the pandemic. Many of our customers and the sectors were deeply impacted resulting in disruptions in our regular revenue streams. However, agility, innovation and enhanced brand equity derived from adhering to our core values and quality has enabled the company to **ADVANCE EVEN DURING ADVERSITIES.**

Revenue

₹ **21,304** lakhs

As against ₹ 21,339 Lakhs in FY20

EBITDA

₹ **1,691** lakhs

As against ₹ 1754 Lakhs in FY20

PAT

₹ **642** lakhs

As against ₹ 1064 lakhs in FY20

ABOUT US

Established in 2009 we are one of the the fastest growing Facilities Management (FM) companies in India. The company provides integrated FM services such as Security, Staffing Services, Housekeeping, M&E, Pest Control, Façade Cleaning, Office Support and Kennel services. The company's clientele is from diverse industry segments such as IT / ITES, Banks, Hotels, Hospitals, Malls and Retail, Infrastructure Projects and Residential complexes.



Vision

To become the best Integrated Facilities Service provider with a focused approach towards customer satisfaction and be a strategic partner to all our clients.



Mission

To generate consistent value in services through technology Integration, Innovations & Upgradation with changing times and establish the highest standards of excellence.



Core Values

- Integrity
- Quality
- Process Excellence
- Professionalism
- Competitiveness



Core Objective

Designing a premium policy that is aligned with the needs of the industry & ensuring compliance with the finest mandated standards.

COMPETITIVE ADVANTAGES



Integrated Service Provider

The company provides integrated FM services such as Security, Staffing Services, Housekeeping, Engineering, Pest Control, Façade Cleaning, Office Support and Kennel (Dog squad) services. The company's clientele comprises of diverse industry segments such as IT / ITES, Schools, Hotels, Hospitals, Shopping Malls, Manufacturing Companies, Financial Services Establishments, Infrastructure Projects and Residential complexes.



Experienced Promoters, Directors and Senior Management

The promoters of the Company have over a decade of experience in the lines of business in which the Company operates. The Board of Directors consists of very senior retired officers who guide the management in the areas of strategy, implementation, problem solving and organisation development. The senior management of the company have multiple years of experience in finance, marketing, recruitment, training and operations.



Strong Brand Equity

Our track record of delivering seamless quality services has enabled us to retain our existing customers - many of the large corporates and Multinational Companies (MNC). This has also ensured that our new customer acquisition keeps growing at a high pace.



Quality

High Quality of services is provided by ensuring 24/7 mobility, continuous communication and assistance to our clients by our Quick Response teams.

Our teams regularly interact with our customers and provide customised services by following standard procedures.

FINANCIAL HIGHLIGHTS

Revenue from Operations

(₹ in lakhs)

FY 20-21	21342
FY 19-20	21348
FY 18-19	14728
FY 17-18	11850
FY 16-17	9375

PBT

(₹ in lakhs)

FY 20-21	815
FY 19-20	1039
FY 18-19	952
FY 17-18	748
FY 16-17	451

PAT

(₹ in lakhs)

FY 20-21	642
FY 19-20	1020
FY 18-19	856
FY 17-18	601
FY 16-17	289

PAT (%)

FY 20-21	3.01
FY 19-20	4.8
FY 18-19	5.8
FY 17-18	5.1
FY 16-17	3.1

EBIDTA

(₹ in lakhs)

FY 20-21	1691
FY 19-20	1638
FY 18-19	1334
FY 17-18	1128
FY 16-17	718

EPS

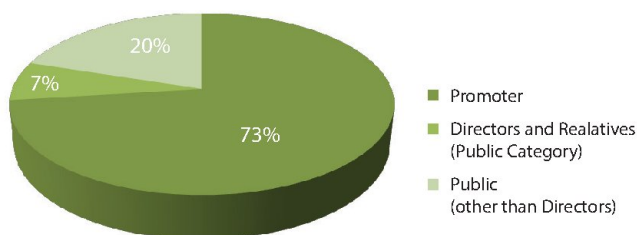
(In ₹)

FY 20-21	6.33
FY 19-20	10.49
FY 18-19	8.44

Note: Earning Per Share (EPS) is Calculated based on paid up share capital as on 31st March, 2021.

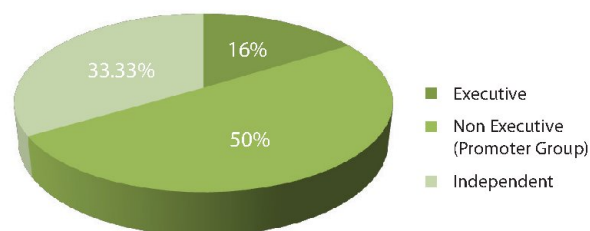
Shareholding Pattern (31st March 2021)

% of Total Capital



Board Composition (14th August, 2021)

Composition of the Board



OUR SERVICES



Security : Kapston has a well-trained and experienced team of security personnel in India who are thorough with the recognized security protocols and trained in emergency & disaster management techniques, martial arts and unarmed combat.



Soft Services : Kapston's soft services motto is 'Neatness and Orderliness' to increase productivity at living, work and public places . Our services include Housekeeping & Janitorial services for Office Spaces, Public Spaces in Residential Apartments, Malls etc as well as specialised services in critical industries such as Pharma Manufacturing, Hospitals & Hotels.



Engineering : The company has a team of qualified Specialist Engineers, Plumbers, Electricians, Masons and Carpenters, who comprehensively address operational maintenance issues



Facade Cleaning : The company has capabilities in cost effective automated facade cleaning services as well as traditional facade cleaning procedures customized to customer's requirements.



Pest Control : Kapston has a team of experts with experience in rodent & pest control techniques. The company caters to a diverse array of industries like agriculture, food & beverages, hotels, healthcare, apparel, IT and entertainment.



Pantry Services : Kapston provides pantry and F&B services to corporate offices. Our team of stewards are trained and equipped to handle the service requirements from general pantry services right up to the board room.

EMERGING SERVICE STAFFING SERVICES

The core competence of the company since its inception is training and managing human resources. The newly commenced staffing services is aimed at providing the finest talent pool for businesses. The company consider people with the right skillsets and attitude to align with the client's vision, mission and human resource strategies.

Talent acquisition and training is done in diverse functional areas for multiple industry sectors. The newly commenced service also comes with value-added HR services such as payroll management, permanent hiring and HR Auditing.

Going forward the management of the company is in the process of substantially increasing the revenue contribution from this segment.



MESSAGE FROM THE CHAIRMAN



Dear Shareholders,

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

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

I am proud of the collective achievements of thousands of Kapston employees who put in their best efforts during a difficult time. I wanted to take this opportunity to present some of our achievements during the year, interlaced with my honest assessment of the key trends that are shaping the future of the economy—and therefore the future of Kapston.

The macro picture

The International Monetary Fund (IMF) has forecasted a growth of 9.5% for the Indian economy. Whether the country will meet this ambitious target will depend on the strength and speed of the government's policy response. Several structural factors require urgent attention. As with any crisis, we hope the pandemic creates the necessary political capital to pull ahead with reforms. Multiple stimulus programs launched by

the government, besides clear-headed fiscal and monetary policies, ensured that there was enough liquidity in the market, inflation remained in check, and infrastructure spending continued apace.

A year of resilience

The Facility Management Services industry, with its various sub segments, was among the sectors most impacted by the pandemic. With several commercial properties such as offices and malls shut for most of the year, the demand and need for housekeeping and office help was lower during the year. At Kapston, we had to deliver against twin mandates: protecting the health of our people and their families, and maintaining our revenue and profit performance by serving our clients with distinction. I am delighted to share that we did well on both these goals. Our annual revenues for FY21 held steady when compared to the previous fiscal.

Gearing up for growth

We offset the negative impact of the pandemic on our revenues by growing in newer service lines such as staffing services, with a significant increase in security services revenues. Our operational resilience comes from our diversified portfolio of offerings and our innovative approach to adding new verticals. Our new staffing vertical has a bright team of HR professionals with experience in diverse areas of staffing services such as talent acquisition, training, HR auditing and payroll management. The immediate traction this vertical experienced among corporates, mid-sized companies and government organizations enabled us to generate ₹ 500 lakhs in revenues in FY21.

Being a good corporate citizen

A holistic focus on governance, people and social responsibility is deeply embedded in our business

model. Towards fulfilling our social responsibilities, we contributed ₹ 27 lakhs to help governments combat Covid-19 (PM Relief Fund and CM Relief Fund–Telangana), fund Swacch Bharat initiatives and for the promotion of digital education.

The road ahead

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

Kapston is one of the fastest growing integrated facilities management companies and we will continue to channel our efforts to ensure that we establish pole positions in the areas in which we operate. We moved into a new corporate office in 2020 and opened several new branches in 2021. This is an optimistic time for us at Kapston and we look forward to further improving our performance in FY22.

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

Regards



Dr. Chereddi Ramachandra Naidu
Executive Chairman

REVIEW BY THE MANAGING DIRECTOR

Dear Shareholders,

I hope you and your near and dear ones continue to stay safe. During the year under review, our operations were moderately impacted due to the pandemic. While deployment of manpower in FMS services reduced in some verticals, there was a gradual upward shift in the Staffing Solutions vertical. Our team had to be on high alert while managing client facilities. We also redeployed our manpower based on the easing of lockdowns across the states. During the third and fourth quarters of the year, we witnessed businesses recovering, thereby increasing the demand for FMS services as well.

Our Performance

Despite external adversities, we were able to maintain our top line, liquidity and market share. While our revenue from security services increased compared with the year-ago period, Soft Services revenues decreased mainly on account of decreased demand for cleaning services from corporate & IT/ITes segments. During lockdown, most of the offices across the country remained shut or were in operation with limited staff. This triggered a fall in our Soft Services revenue by 8.8% as it stood at ₹ 8,665.63 lakhs as compared to ₹ 9,499.74 lakhs in the previous fiscal. Our Security Services business, however, increased from ₹ 11,468.03 lakhs to ₹ 11,912.47 lakhs—a growth of 4% on a Y-o-Y basis.



We continue to expand our geographical footprint. In FY21, we added five new branches including those inaugurated in Mumbai and Pune in March 2021. This is a significant stride towards our endeavour to expand our operations in emerging markets as well as in existing markets like Mumbai. Today, we offer services to India's leading companies as well as multinationals. We are a preferred and trusted services provider to marquee clients across the industry verticals such as pharma, construction, automobile, IT, Business services, entertainment, healthcare, education, retail and media.

New Revenue Streams

An expanded and integrated services portfolio is our key advantage. In FY20-21 we had launched staffing services as a new vertical. Staffing services in India is growing at a rate of 20-25% per year. In addition, outsourcing human resource requirements help businesses to handle differently skilled employees and their payroll cost-effectively.

We have developed a comprehensive staffing service which covers a wide-ranging talent pool for multiple industry segments. In just 12 months since the launch, we are able to co-create value for many of our clients. In FY21, we generated a revenue of ₹ 420 lakhs from this new service line. Our staffing

services capabilities include IT Staffing, General Staffing, Permanent Hiring, Recruitment Process Outsourcing and Payroll Management.

This new vertical is able to address staffing services for industry verticals such as IT & ITES, Telecom, E-Commerce, Engineering, Pharma, Healthcare, Govt and PSUs, Retail, Media, Construction, Hospitality and Mining. Going forward, the new vertical will generate more revenue in FY22 and beyond owing to its specialised competencies and the momentum it gained in FY21.

In the manpower space, the future belongs to organised players providing world-class security, staffing and soft services. This increasing demand for our services is in line with the country's economic growth. The reputation we so professionally established for quality and reliability stands us in good stead. Going forward, we will continue to explore and implement value-added services to position KAPSTON brand for sustainable, long-term growth.

Stay Safe

Sincerely,



Srikanth Kodali

Managing Director

BOARD OF DIRECTORS

Dr. Chereddi Ramachandra Naidu

Executive Chairman

He holds a Master's Degree in Sociology and a Doctorate in Commerce & Management. He has authored a book on "Preventive Powers of Police", which was published by AP Police Academy. He was Inspector General of Police in the combined state of Andhra Pradesh.

He joined the Police Services as a Deputy Superintendent of Police in 1977 and retired in 2007 as Inspector General of Police. His expertise spans across the areas of human resource management, Industrial relations, strategy and project management.

Mr. Srikanth Kodali

Promoter and Managing Director

He is a first-generation entrepreneur and founder of "Kapston Facilities Management Limited". He has been managing the Company since incorporation as an executive director. He is a commerce Graduate. Apart from rich experience of over a decade in Facilities Management and Security Services, he also has diverse experience in fields such as digital designing & printing, construction and expertise in marketing, financial management and client retention. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business & client relations of the company.

Mr. Naveen Nandigam

Independent Director and Chairman of Audit Committee

He is a fellow member of the Institute of Chartered Accountants of India (ICAI). Has been in professional practice since 1990 and has over 3 decades of experience in financial reporting and management. He is associated with the Company since February 2018.

Mrs. Kanti Kiran Doddapaneni

Promoter Group and Non-Executive Director

She holds a Bachelor's Degree in Science from Osmania University and a Master's Degree in Arts from University of Hyderabad.

Mrs. Vanitha Nagulavari

Independent Director

A Commerce graduate and an Associate member of the Institute of Company Secretaries of India. She has experience of over 11 years in the areas of legal, secretarial, capital markets.

Mr. Nageswara Rao Koripalli

Independent Director

He is a retired Indian Revenue Service Officer with an overall experience of 32 years in administration of Indian Income Tax Laws and allied Laws in various capacities. His last posting was, the Principal Director of Income Tax (Investigation), Hyderabad, in the Income Tax Department, having jurisdiction over the States of Telangana & Andhra Pradesh.

He holds a Masters' degree in Science from Andhra University and holds LLB Degree. He joined Indian Revenue Service (IRS)- Income Tax Department in the year 1986 and retired in the year 2018. He also worked as a Special Director in the Directorate of Enforcement on deputation.

By virtue of his work experience in government of India, he has knowledge and exposure in matters of accountancy, audit and corporate governance of large companies governed under the (Indian) Companies Act. He has fair knowledge of various Laws of the country especially in Foreign Exchange Regulation Act (FERA), Foreign Exchange Management Act (FEMA), The Prevention of Money Laundering Act (PMLA), Prohibition of Benami Properties Act & The Black Money Act.

CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p>Dr. Chereddi Ramachandra Naidu IPS (Retd) Chairman</p> <p>Mr. Srikanth Kodali Managing Director</p> <p>Mr. Naveen Nandigam Independent Director</p> <p>Mrs. Kanti Kiran Doddapaneni Non- Executive Director</p> <p>Mrs. Vanitha Nagulavari Independent Director</p> <p>Mr. Nageswara Rao Koripalli IRS (Retd) Independent Director</p>	<p>REGISTERED OFFICE</p> <p>Plot No. 287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana- 500072</p> <p>CORPORATE OFFICE</p> <p>Plot No.75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034</p> <p>INTERNAL AUDITOR</p> <p>Ms. K Sravanthi Chartered Accountant Membership Number: 239567</p> <p>SECRETARIAL AUDITOR</p> <p>Mr.D S. Rao Practising Company Secretary C.P NO. 14487</p>
<p>KEY MANAGERIAL PERSONNEL</p> <p>Mr. Brendon Thomas Pereira Chief Financial Officer</p> <p>Ms. Kinkeri Vyshali Appointed w.e.f. August 09, 2021 Company Secretary and Compliance Officer</p> <p>Ms. Amreen Gulnaaz Resigned w.e.f. June 15, 2021 Company Secretary and Compliance Officer</p>	<p>REGISTRAR AND TRANSFER AGENT</p> <p>Bigshare Services Private Limited # 06, Right Wing, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad - 500082</p>
<p>STATUTORY AUDITORS</p> <p>Mr. Rankireddy Srinivasu NSVR & Associates LLP. Chartered Accountants Firm Reg. No. 008801S/S200060</p>	<p>INVESTOR CELL CONTACT DETAILS</p> <p>cfo@kapstonfm.com cs@kapstonfm.com</p>

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

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

INDIAN ECONOMY

The Indian economy has suffered extensively due to COVID-19, with lockdowns adversely affecting all sectors, particularly the unorganised. Most software and professional services companies closed down their campuses. A large part of the urban workforce migrated to native places, delivering a serious blow to the already-distressed construction and manufacturing industries.

FACILITY MANAGEMENT SERVICES

The Facilities Management Services sector, mainly consisting of security, housekeeping and engineering, faced problems on account of the closure of offices, commercial establishments, and several other facilities that require support services. Despite this, the Facility Management Services market size in India touched USD 150 billion in 2020. The industry is expected to grow at a faster pace on account of continued urbanisation and industrialisation. During this period, Kapston opened branches in various parts of the country and invested in building a robust staffing business.

REVIEW OF KEY FMS SEGMENTS

Security Services

Rapid urbanisation across the country has increased the demand for security services. Also, a variety of factors today significantly contribute to the growth of the business. These include perceived risks and fears triggered by growing crime rate and terrorism, and a widely-held belief that public safety measures are not enough to protect human lives and properties. The security services market is seeing new opportunities,

thanks to an improved economic environment and revival in construction activity.

Housekeeping Services

Housekeeping Services have been witnessing good demand due to the increase in office, manufacturing, and logistics space addition and absorption, among IT, pharma, services, tourism, entertainment, shopping, hospitality, healthcare and F&B—notwithstanding the temporary slowdown. More gated communities and premium living spaces are dotting the urban landscape, resulting in increased demand for comprehensive housekeeping services.

Staffing Services

In recent years, the Indian economy has witnessed a significant rise in the demand for staffing services. Deploying skilled manpower on key projects through staffing services is a popular trend across IT firms, especially those serving BFSI clients. According to a report published by the staffingindustry.com, the Indian staffing market was worth USD 5.2 billion in 2020. This is the fourth largest staffing market in the combined Asia and Oceania region, after Japan (USD 66.7 billion), China (USD 16 billion) and Australia (USD 15 billion). The most attractive markets for staffing are India and Malaysia, followed by China and Ireland.

OPPORTUNITIES & CHALLENGES

Opportunities

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

Threats

Threat	Mitigation
Predatory pricing by big players	We are working towards creating a strong value proposition through a compelling services mix.
Technological interventions	Expanding footprint with more vigour and pace, and actively considering foraying into new areas in FMS where the manpower need is high
Work from home	Pivot to providing services for gated communities, mixed-use facilities and participation in other growth areas

Challenges

On account of COVID-19, industrial and commercial spaces have not been attracting optimal use and occupancy. This situation is likely to persist, until the majority of population is vaccinated or attains herd immunity.

Our employees have expressed their reluctance to work at places such as hospitals where the risk of infection is high. This has also triggered high attrition where employees are seeking opportunities at places with less virus risk, or shifting to new career paths. The management has been making extra efforts to motivate them to serve at these locations after investing in their safety. Our leadership has shown a great degree of commitment to proactively address this concern over the long term.

Our employees are also frequently affected by COVID-19. We have been working hard to handle these situations by employing best safety measures, and initiating strong backup plans to ensure minimal disruption to the delivery of services.

KEY STRENGTHS

Over the years, Kapston has actively transformed into a leading manpower services company with deep and diverse expertise in hiring, training, evaluation, and employee retention. Our focus on service excellence helps us stand out. We engage dedicated recruitment teams and training centres that focus on matching job seekers with positions at our clients. We also have a strong management team that is attuned to the concerns—personal and professional—faced by our employees working in the field with a deep-seated intent

to address them. This promotes a sense of loyalty among our employees.

Vertical-wise / product-wise performance

For the fiscal year under review, our staffing service began to generate revenues as an independent stream. The revenue from the new vertical in FY21 stood at ₹ 419.61 lakhs. The revenue from soft services (comprising Housekeeping, Office Support, Pantry Services, etc.) has fallen by 8.8%, to ₹ 8,665.63 lakhs from ₹ 9,499.74 lakhs in the previous fiscal.

The revenues from our Security Services grew from ₹ 11,468.03 lakhs in the previous year to ₹ 11,912.47 lakhs, translating to an annual growth of 3.9%. The Security Services accounts for 56% of our total revenues. Our Skill Development programs in partnership with the NSDC & Ministry of Rural Development contributed ₹ 135.40 lakhs as against ₹ 371.51 lakhs in the previous year.

FINANCIAL PERFORMANCE

1. Revenue:

The total revenue from operations stands at ₹ 21,303.86 lakhs against ₹ 21,339.27 during the previous year.

EBITDA stands at ₹ 1,691.39 lakhs as against ₹ 1,753.78 lakhs for the previous year.

2. Financing costs:

Our financing costs increased to ₹ 519.66 lakhs from ₹ 443.50 Lakhs in the previous year, on account of interest on term loans and lease finance costs considered under finance costs due to adoption of IND AS.

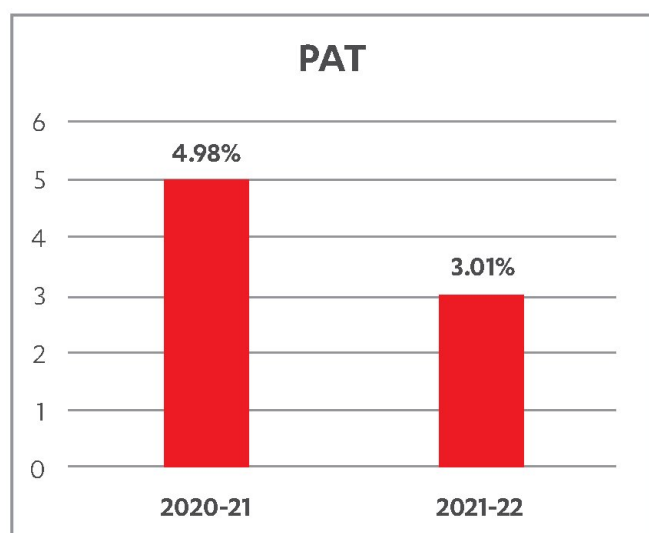
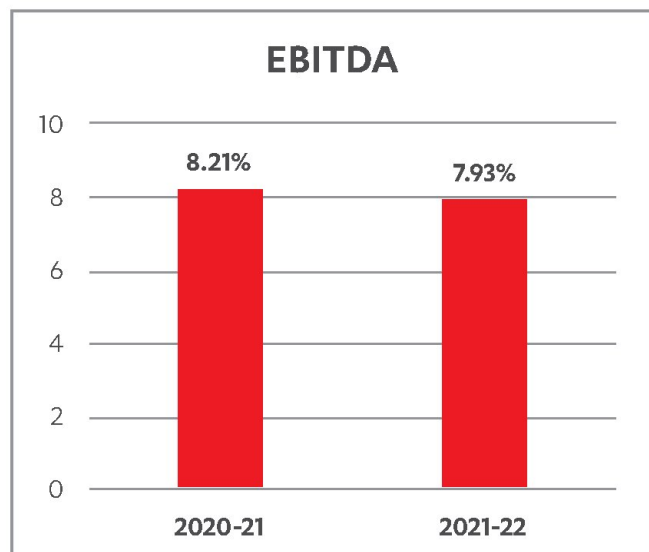
3. Depreciation:

Depreciation costs have increased by ₹ 100.31 lakhs on account of management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

4. Taxation

Tax Expense (Deferred Tax and Current Tax) for the current year amount to ₹ 172.93 lakh against ₹ (10.45) lakhs in the previous year. We could not avail much benefit of deduction under section 80JJA of Income Tax Act, 1961, Since the addition to manpower was minimal on account of the pandemic.

5. Ratio Analysis



- EBITDA lower @7.93% vs 8.21% in the previous year
- PAT lower @3.01% vs 4.98% in the previous year

RISK MANAGEMENT

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

Internal control systems and their adequacy

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

We have been refining our management methodologies by way of periodical reviews so as to realign our tactics to meet the changes on the ground. Thus we hope to achieve the goals both in the short run and long run.

DIRECTORS' REPORT

Dear Members,

The Board of Directors ("Board") of Kapston Facilities Management Limited ("Kapston" or "Company") with immense pleasure present their Report on the business and operations of your company together with the audited financial statements for the financial year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS

The Company's performance during the financial year ended March 31, 2021 is summarized in the following table

(₹ in Lakhs)

Particulars	Standalone	
	2020-21	2019-20
Revenue from Operations	21303.86	21339.27
EBIDTA	1691.4	1753.78
Less: Finance Costs	519.66	443.50
Less: Depreciation and amortization expenses	357.02	256.71
Profit before prior period items	814.72	1053.57
Prior period items	--	--
Profit before tax	814.72	1053.57
Less: Current Tax	157.94	160.96
Add: Deferred Tax Asset	14.99	-171.41
Profit Available for appropriations/Loss	641.78	1064.02
Basic Earnings per Share (₹)	6.33	10.49
Diluted Earnings per Share (₹)	6.33	10.49
Paid up share capital (face value of INR 10 each)	1014.40	1014.40
Reserves and Surplus	540.35	2760.86

Note: The above changes in the financial highlights for the year 2019-20 is due to the applicability of IND AS from the year 2020-21 and the reconciliation carried out under previous GAAP and IND AS.

2. STATE OF AFFAIRS/ COMPANY'S PERFORMANCE

The Company is primarily engaged in providing manpower for private security services, Facilities Management Services and staffing solutions in various parts of the country. As part of empowering the unemployed sector, the Company has, in partnership with various central & state level government bodies, undertaken training and development programs for the "Unemployed Youth".

Your Company's revenue from operations for the financial year ending March 31, 2021 stood as

₹ 21,303.86 lakhs compared to ₹ 21,339.27 lakhs during the previous financial year. The Company has achieved EBIDTA (including other income) of ₹ 1,691.4 lakhs during the financial year 2021 as against that of EBIDTA of ₹ 1,753.78 lakhs for the previous financial year 2020. The profit before tax for the financial year under review is ₹ 814.72 lakhs as against ₹ 1,053.57 lakhs for the previous financial year 2020. Profit after tax was positively impacted by the tax benefits availed under Section 80JJAA of the Income Tax Act, 1961 and deferred tax benefits.

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

3. CHANGE IN NAME OF THE COMPANY

During the year under review, there was no change in the name of the Company.

4. CHANGE IN NATURE OF THE BUSINESS

During the year under review, the Company has altered its Memorandum of Association by a special resolution passed by its members through postal ballot including e-voting to include the main object "To carry on the business of technical, legal, financial and management consultants, advisers, innovators, software, designer, marketers, manpower contractors, administrators, agents, recruitment and placement consultancy service providers, impart training in various fields, areas and subjects including but not limited to vocational training through any form viz. classroom, electronic media or training by correspondence and to carry on the business of all types of manpower suppliers, execution and operation of all activities pertaining or relating to contract employees or of employee leasing by offering services from time to time for outsourcing administration of employees and all administrative activities related thereto and to enter into collaborations, joint venture agreements and to do all other incidental things and acts necessary for the attainment of the main object."

The Company has ventured into a new line of business of providing staffing services/ Manpower Supply with effect from March 17, 2021.

5. DIVIDEND

During the year under review, the Company has declared and paid an interim dividend of Rs. 1/- per equity share for the Financial Year 2020-21 and considering the same as dividend for the FY 2020-21 the directors did not recommend final dividend.

6. TRANSFER TO RESERVES

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

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 124 of Companies Act, 2013 are not applicable as the Company has not completed 7 years from declaration of dividend.

8. SHARE CAPITAL

The paid up share capital of your Company is ₹ 10,14,40,610/- (Rupees Ten Crore Fourteen Lakhs Forty Thousand Six Hundred Ten Rupees Only) divided into 10,144,061 equity shares of ₹ 10/- each. There was no change in the share capital structure during the period under review.

LISTING OF EQUITY SHARES

The securities of the Company are listed on National Stock Exchange of India Limited (NSE). Further, the Company has no equity shares carrying differential rights.

MIGRATION TO THE MAIN BOARD OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

During the year under review, the Shareholders have approved (through postal ballot including e-voting) migration of Company's equity shares from SME Platform of NSE Emerge to Main Board of NSE. Accordingly, the Company has made application to Stock Exchange and the same was approved vide its letter dated 22nd May, 2020 with effect from 27th May, 2020.

Accordingly, the Company got listed its shares on the Main Board of "National Stock Exchange of India Limited" with effect from 27th May, 2020.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, your Company has not made any investment, given any loan or guarantee falling within the provisions of section 186 of the Companies Act, 2013 and the rules made thereunder.

10. PUBLIC DEPOSITS

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

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During the financial year under review all transactions with the related parties are in compliance with the provisions of section 188 of the Companies Act, 2013 and the details all the related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

Further there are no transactions as per Section 188(1) of the Companies Act, 2013, therefore disclosure as per the provision of Section 134 (Form AOC-2) is not applicable.

12. RISK MANAGEMENT

Risk management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events to maximize the realization of opportunities. The company has initiated a process of preparing a comprehensive risk assessment and minimization procedure. These procedures are meant to ensure that executive management controls risk by way of a defined framework. The major risks are being identified by the company and its mitigation process/measures being formulated in areas of operations, recruitment, financial processes and reporting, human resources and statutory compliance.

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

There are no material changes and commitment affecting financial position of the company during the financial year 2020-21.

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

Your Company has always provided a safe and harassment-free workplace for every individual working in its premises through various policies and practices. The Company always endeavors to create

an environment that is free from discrimination and harassment including sexual harassment. Your company has been actively involved in ensuring that the clients and all the employees are aware of the provisions of the POSH Act and rights thereunder.

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on prevention of sexual harassment is available on the website of the company at <https://www.kapstonfm.com/images/PDF/Policy-for-prevention-of-Sexual-Harassment.pdf>.

Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. During the year under review, the Company has not received any Sexual Harassment Complaints, detailed information about the same has been given in the Corporate Governance Report enclosed as **Annexure II**.

15. NUMBER OF BOARD MEETINGS DURING THE YEAR

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

15.04.2020	29.04.2020	15.06.2020	14.08.2020	05.11.2020	12.02.2021
------------	------------	------------	------------	------------	------------

16. COMMITTEES OF THE BOARD

As on March 31, 2021, the Board constituted the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report. In addition, the Board constitutes other committees to perform specific roles and responsibilities as may be specified by the Board from time to time.

17. CORPORATE GOVERNANCE

Your company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 forms part of the Annual Report. Full details of the various board committees are also provided therein along with Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed as Annexure I.

18. Covid 19 Impact

During the year under review the operations of the company were impacted due to lockdowns imposed by the state and central government. While the revenue from Security Services increased based on our market expansions and new customer acquisitions, the revenue from soft services were impacted as facilities services in most of the offices across the country remained under partial closure.

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

The Nomination and Remuneration Committee has adopted a policy as per Section 178(3) of the Companies Act, 2013 for determination of remuneration and the manner of selection of the Board of Directors, CS and CFO & Managing Director and their remuneration.

Criteria for selection of Non-Executive Director

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience in the fields of Service Industry, Manufacturing, Marketing, Finance and Taxation, Law, governance and general management.
- In case of appointment of Independent Directors, the committee shall satisfy itself with regard to the criteria of independence of the directors vis-à-vis the company so as to enable the board to discharge its function and duties effectively.
- The committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The committee shall consider the following attributes, whilst recommending to the board the candidature for appointment as director:
 - Qualification, expertise and experience of the directors in their respective fields;
 - Personal, professional or business standing;

- Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Directors and his engagement level.

Remuneration

The Non-Executive Directors shall not be entitled to receive remuneration except by way of sitting fees, reimbursement of expenses for participation in the board/committee meetings and commission. The Independent Director of the company shall not be entitled to participate in the Stock Option Scheme of the company. The aggregate commission paid to the Non-Executive Directors is within the statutory limit of the company.

Criteria for selection/appointment of Managing Director, Executive Director, CS and CFO

For the purpose of selection of the Managing Director, Executive Director, CS and CFO the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under Companies Act, 2013, or other applicable laws.

Remuneration to Managing Director and Executive Director

- At the time of appointment or re-appointment, the Executive Director and Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the Executive Director/Managing Director, within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the members of the Company in General Meeting in compliance with the provisions of the Companies Act, 2013.

Remuneration Policy for the Senior Management Employees including CFO & CS

In determining the remuneration of Senior Management Employees, the committee shall ensure/consider the following:

- The relationship between remuneration and performance benchmark;
- The balance between fixed and variable pay reflecting short and long-term performance appropriate to the working of the company and its goals, as mutually agreed.

The policy relating to remuneration of Directors, Key Managerial Personnel, Senior Management and other employees is available on the website of the Company <https://kapstonfm.com/images/PDF/Nomination%20and%20Remuneration%20Policy.pdf>

20. BOARD EVALUATION AND ASSESSMENT

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

The performances of the Independent Directors were evaluated by the Board after seeking inputs from all the Directors on the effectiveness and contribution of the Independent Directors.

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

The Board reviewed the performance of the individual Directors on the basis of the contribution of the individual Director

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated,

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

21. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RE-DESIGNATED

During the year under review,

- Mr. Nageswara Rao Koripalli (DIN 08734786) has been appointed as an Independent Director for a term from April 29, 2020 to April 28, 2025
- Mr. Srikanth Kodali (DIN: 02464623) has been reappointed as a Managing Director for a term of 3 years with effect from 29th January, 2021.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Associations of the Company, Mr. Srikanth Kodali, (DIN: 02464623) Managing Director, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for reappointment. The Board has recommended his re-appointment.

Key Managerial Personnel

Mr. Srikanth Kodali, Managing Director, Mr. Brendon Thomas Pereira, Chief Financial Officer, Ms. Amreen Gulnaaz, Company Secretary and Compliance Officer are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel during the FY 2020-21. However, Mr. Amreen Gulnaaz, Company Secretary and Compliance Officer has resigned w.e.f. June 15, 2021 and Ms. Kinkeri Vyshali has been appointed as the Company Secretary and Compliance Officer of the company w.e.f. 09th August, 2021.

22. DECLARATION BY THE INDEPENDENT DIRECTORS

During the year under review, the Independent Directors of the company have submitted their

disclosures to the board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

23. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors 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 March 31, 2021 and of the profit and loss of the company for that period;
- The directors 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;
- The directors have prepared the annual accounts on a going concern basis;
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Further, there are no more qualifications, reservations or adverse remarks made by the statutory auditor/secretarial auditor in their respective reports.

24. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return of the company for the financial year ended

March 31, 2021 is enclosed as Annexure II.

The extract of the Annual Return of the company is also hosted on the company's website at <https://www.kapstonfm.com/investors.html>.

25. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors constituted Corporate Social Responsibility (CSR) Committee in accordance with the provisions of section 135 of the Companies Act, 2013, the Board on recommendation of CSR Committee and in compliance with the policy on Corporate Social Responsibility invested the CSR Fund for Combating COVID-19 by donating to Prime Minister National Relief Fund and State Fund under the Disaster management Act and on other activities as specified in Schedule VII of the Companies Act, 2013. The Annual

Report on CSR activities is enclosed as Annexure III to this Annual Report.

26. PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is presented in a separate section forming part of this Annual Report as Annexure IV.

27. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated in SEBI Listing Regulations is presented in a separate section forming part of this annual report.

28. STATUTORY AUDITORS

M/S NSVR and Associates LLP, Chartered Accountants, (Firm Registration No.000880IS/S200060), Hyderabad, was appointed as Statutory Auditor of the Company at the 10th Annual General Meeting held on September 28, 2018 till the conclusion of 14th Annual General Meeting. They have confirmed their eligibility for the financial year 2021-22 under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

29. SECRETARIAL AUDITOR

Mr. D. S Rao, Practising Company Secretary, Hyderabad, was appointed as Secretarial Auditor of the Company for the financial year 2020-21.

The Board has re-appointed Mr. D.S Rao, Practising

Company Secretary, Hyderabad as Secretarial Auditor of the Company for the financial year 2021-22.

30. INTERNAL AUDITOR

Ms. Sravanthi Karuturi, Chartered Accountant, Hyderabad, was appointed as Internal Auditor of the Company for the financial year 2020-21.

The Board has re-appointed Ms. Sravanthi Karuturi, Chartered Accountant, Hyderabad, as Internal Auditor of the Company for the financial year 2021-22.

31. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The Statutory Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks.

During the year, the statutory auditors and secretarial auditor have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013. The report of the secretarial auditor is given as an annexure which forms part of this report as Annexure V.

32. INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Based on the audit reports your company undertakes corrective action in their respective areas and strengthen the controls.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy, code of conduct for regulating, monitoring and reporting insider trading and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding 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.

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the code of conduct for prohibition of insider trading and the same is being implemented by the Company. The board has appointed Kinkeri Vyshali, Company Secretary as the Compliance Officer under the code.

33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

34. VIGIL MECHANISM

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013 a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Policy on vigil mechanism i.e. whistleblower policy may be accessed on the Company's website at www.kapstonfm.com. The policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about leakage of unpublished price sensitive information (UPSI), illegal and unethical behaviour to the Chairman of the Audit Committee.

35. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION

Considering the nature of activities of the Company, the provisions of Section 134(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, Research and Development, Technology Absorption are not applicable to the Company.

36. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year under review there is no foreign exchange earnings and outgo.

37. OTHER DISCLOSURES

- The Company does not have any subsidiary or group or associate company, therefore standalone financial statement is presented.
- The Company is not required to maintain cost records as per the provisions of Section 148 of the Companies Act, 2013.
- Various policies as approved by the Board of Directors in accordance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 is hosted on the company's website at <https://kapstonfm.com/investors.html>

38. ACKNOWLEDGEMENT

Your directors place on record their gratitude to the Central Government, various State Governments and Company's Bankers and advisors for the valuable advice, guidance, assistance, cooperation and encouragement they have extended to the Company from time to time. The Directors also take this opportunity to thank the company's customers, suppliers and shareholders for their consistent support to the Company.

We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board of Directors

Sd/-

Dr. Chereddi Ramachandra Naidu

Place: Hyderabad

Executive Chairman

Date: August 09, 2021

DIN 02096757

Annexure I

CORPORATE GOVERNANCE REPORT

[As required under Reg.34 (3) and Schedule V(C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Company's shares are listed on:

S. No	Name of the Stock Exchange	Date of Listing
1	National Stock Exchange of India Limited	04-04-2018

Kapston Facilities Management Limited which was originally listed on NSE Emerge w.e.f 4th April, 2018 has migrated to Main Board of National Stock Exchange of India Limited w.e.f 27th May, 2020.

The Corporate Governance Report has been prepared in accordance with Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V thereto.

1. CORPORATE GOVERNANCE PHILOSOPHY

- The Company is committed to the highest standards of Corporate Governance Practices.
- The Company relies on strong corporate governance systems and policies of business for healthy growth, accountability and transparency. Good corporate governance will certainly benefit the Board and the management to carry out the objectives effectively for the benefit of the Company and its shareholders.
- The Company endeavors to ensure that highest standards of ethical conduct are maintained throughout the organization.
- The Company has complied with the requirements of corporate governance in accordance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

- The board of Directors along with its committees provides focus and guidance to the Company's management as well as directs and monitors the performance of the Company.
- The Board presently (on August 09, 2021) comprises of Six (6) Directors having rich and vast experience with specialized skills in their respective fields, out of which two (2) are Executive Directors, four (4) are Non-Executive Directors including two (2) women Directors. There are three (3) Independent Directors on the Board.
- The Company has an Executive Chairman. The Executive Chairman and the Managing Director manage the day-to-day affairs of the Company. The Board has an optimum combination of Executive and Non-Executive directors
- All the directors on the Board of the Company have made necessary declarations/disclosures regarding their other directorships along with committee positions held by them in other companies.

a) Composition and Category of directors as on March 31, 2021:

Category	No. of Directors
Promoter, Executive Director	1 (One)
Promoter, Non-Executive Director	1 (One)
Non-promoter, Executive Director (Chairman)	1 (One)
Non-Executive, Independent Directors	3 (Three)
Total	6 (Six)

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S. No.	Name of the Directors	Category
1	Dr. Chereddi Ramachandra Naidu	Chairman-Executive
2	Mr. Srikanth Kodali	Managing Director - Promoter
3	Mr. Naveen Nandigam	Non-Executive, Independent Director
4	Mrs. Vanitha Nagulavari	Non-Executive, Independent Director
5	Mrs. Doddapaneni Kanti Kiran	Director - Promoter Group, Non-Executive
6	Mr. Nageswara Rao Koripalli	Non-Executive, Independent Director

b) Attendance of each director at the Board meetings held during the year 2020-21 and at the last Annual General Meeting

Sr. No.	Name of the Director	Category	No of Board Meetings during the Year 2020-21		Attendance at AGM held on 30.09.2020	¹ No. of Directorships held in other Companies	² Committee	
			Held	Attended			Chairmanship	Membership
1	Dr. Chereddi Ramachandra Naidu	Chairman (Non-Promoter, Executive)	6	6	Yes	2	NIL	NIL
2	Mr. Srikanth Kodali	Managing Director (Promoter, Executive)	6	6	Yes	NIL	NIL	2
3	Mr. Naveen Nandigam	Director (Independent, Non-Executive)	6	6	Yes	3	3	NIL
4	Mrs. Vanitha Nagulavari	Director (Independent, Non-Executive)	6	6	Yes	2	NIL	2
5	Mrs. Doddapaneni Kanti Kiran	Director (Promoter Group, Non-Executive)	6	6	Yes	NIL	1	NIL
6	Mr. Nageswara Rao Koripalli	Director (Independent, Non-Executive)	5	5	Yes	NIL	NIL	NIL

¹ Note: Excluding directorship in foreign companies and companies incorporated u/s. 8 of the Companies Act, 2013, but including private limited companies.

Excluding the Company whose status is "Strike Off" as per data available with the Ministry of Corporate Affairs.

² Only Membership and Chairmanship of Audit and Stakeholders Relationship Committees of public limited companies including Kapston Facilities Management Limited are considered.

³ Mr. Nageswara Rao Koripalli (DIN 08734786) has been co-opted onto the Board as Additional Director (under Independent Category) with effect from 29th April, 2020.

c) Number of board meetings held during the year under review:

During the year under review, six (6) board meetings were held, on the following dates.

15.04.2020	29.04.2020	15.06.2020	14.08.2020	05.11.2020	12.02.2021
------------	------------	------------	------------	------------	------------

In compliance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the intervening period between two consecutive meetings did not exceed one hundred and twenty days (120 days).

As per the disclosures given by the respective directors, no director is a member of more than ten committees and chairman of more than five committees, as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the companies in which he/she is a director. Further, no director is acting as an Independent Director of more than seven listed companies and if he/she is a whole-time director of a listed Company, more than three companies.

Disclosure of Relationships between the Directors inter-se:

Except the promoter directors Mr. Srikanth Kodali and Mrs. Kanti Kiran Doddapaneni who are related to each other, no other Director has any relationship with any other Director. The Shareholding of Non-Executive and Independent Directors is as follows:

S.No	Name and designation of the director	No of shares held as on March 31, 2021
1.	Mrs. Kanti Kiran Doddapaneni Non-Executive – Promoter Director	1,88,002
2.	Mr. Naveen Nandigam Independent Director	2,800
3.	Mr. Vanitha Nagulavari Independent Director	16,200
4.	Mr. Nageswara Rao Koripalli Independent Director	6,000

Web link where details of familiarization programs imparted to Independent Directors: The details of the programs conducted by the Company for the familiarization of Independent Directors are posted on the Company's website under the weblink: https://www.kapstonfm.com/images/PDF/Familiarisation_Programme.pdf

The list of core skills / expertise / competencies which are identified by the Board of Directors as required in the context of the business of the Company to function effectively are:

- Business and Administration
- Finance and accounts
- Legal and governance
- Industry knowledge
- Risk management
- Analytical skills
- Financial Management
- Human Resource Management

The matrix presenting the directors' area of expertise against their experience in the respective field is specified hereunder:

Name of Director	Designation	Years of experience	Field of expertise
Dr. Chereddi Ramachandra Naidu	Chairman, Executive	44	Business and Administration
Mr. Srikanth Kodali	Managing Director - Promoter	23	Business, Administration. Human Resource Management and Strategic Business Planner.
Mr. Naveen Nandigam	Independent Director	31	Financial, Audit and Accounting
Mrs. Vanitha Nagulavari	Independent Director	12	Legal, Secretarial and Compliance.
Mrs. Doddapaneni Kanti Kiran	Non-Executive Director (Promoter)	13	Human Resource Management.
Mr. Nageswara Rao Koripalli	Independent Director	33	Taxation and Legal Aspects

Confirmation that in the opinion of the Board the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management:

The Board of Directors confirms that in its opinion the Independent Directors fulfill the conditions specified by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

No Independent Director resigned before their tenure during the financial year under review.

Meeting of Independent Directors:

A meeting of the Independent Directors was held on 12th February, 2021, inter alia, to review the performance of the Non- Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Regulation 25 read with Schedule IV of the Companies Act, 2013 and are independent of the management.

3. COMMITTEES OF DIRECTORS

A. Audit Committee

Brief description and terms of reference:

The Company has constituted a qualified and independent Audit Committee comprising of 2/3 members as independent directors in accordance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Committee is empowered with the role and powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Managing Director, CFO, Internal Auditors and Statutory Auditors are also invited to the meetings, as required, to brief the Committee wherever required. The Company Secretary acts as the secretary of the Committee.

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

Composition, name of members and chairperson:

S.No.	Name of the Member	Nature of Directorship	Designation	No. of Meetings	
				Held	Attended
1	Mr. Naveen Nandigam	Chairman	Independent	3	3
2	Mr. Kodali Srikanth	Member	Executive	3	3
3	Mrs. Vanitha Nagulavari	Member	Independent	3	3

Meetings and attendance during the Year 2020-21

During the year, four (04) meetings of the Audit Committee were held and the details of attendance of the directors in such meetings are as follows:

Date of the Meeting
15 th June, 2020
14 th August, 2020
05 th November, 2020
12 th February, 2021

The gap between two Audit Committee meetings was not more than one hundred and twenty days (120 days).

The necessary quorum was present at all the meetings.

B. Nomination and Remuneration Committee (NRC)

The Committee is empowered with the role and powers as prescribed under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013 and in the Nomination & Remuneration Policy of the Company. The Committee also acts in terms of reference and directions of the Board from time to time.

The Nomination and Remuneration Committee reviews the profiles & experience, performance appraisals and recommends the remuneration package payable to executive director(s), Key Managerial Personnel and other elements of their appointment and acts in terms of reference of the Board from time to time. The Company's Remuneration Policy as applicable to directors, key managerial personnel and other senior management personnel of the Company is posted on the company's website at the following web address.

<https://www.kapstonfm.com/images/PDF/Nomination%20and%20Remuneration%20Policy.pdf>

Composition, name of members and chairperson

The NRC comprises of three (3) Non-Executive Directors. The composition of the Nomination and Remuneration Committee is as follows:

S.No.	Name of the Member	Nature of Directorship	Designation	No. of Meetings	
				Held	Attended
1	Mrs. Vanitha Nagulavari	Independent Director	Chairman	3	3
2	Mr. Naveen Nandigam	Independent Director	Member	3	3
3	Mrs. Kanti Kiran Doddapaneni	Non-Executive Director	Member	3	3

Meetings and attendance during the year 2020-21

During the year four (04) meetings of the Nomination and Remuneration Committee were held and the details of attendance of the directors in such meetings are as follows.

Date of the Meeting
15 th April, 2020
14 th August, 2020
05 th November, 2020
12 th February, 2021

Performance evaluation criteria for Independent Directors:

Independent Directors have three key roles to play; those are:

- Governance
- Control
- Guidance

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has recommended the guidelines for the evaluation of performance of Independent Directors. This largely includes:

- The qualification and experience of Independent Directors
- The groundwork the Independent Directors perform before attending the meetings to enable them in giving valuable inputs during meetings.
- The exposure of Independent Directors in different areas of risks the entity faces and advises the entity them to mitigate the same.

In line with the Corporate Governance guidelines, evaluation of all Board members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman with specific focus on the performance and effective functioning of the Board, the Committees of the Board and the individual directors reported to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of Directors (excluding the director being evaluated) held the performance evaluation of Independent Directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent Directors.

Performance evaluation was done by the respective bodies on 12th February, 2021.

Remuneration of Directors:

The details of remuneration and commission paid to the Managing Director and Executive Chairman are as follows:

Category of Payment	₹ in lakhs (P.a)	
	Mr. Kodali Srikanth (Managing Director)	Dr. Chereddi Ramachandra Naidu (Executive Chairman)
Fixed Component	87.00	11.03
Total	87.00	11.03

Apart from the above, Executive Chairman and Managing Director is also eligible for other benefits in terms of their appointment and as per the HR policies of the Company. The contract is terminable by either party on 3 months' notice or pay in lieu thereof;

Sitting Fee paid to Non-Executive Directors and their shareholding as on March 31, 2021 is as follows:

Name of the Director	Designation	Sitting fees paid (₹ in lakhs)	No. of shares held on 31-03-2021
Mr. Naveen Nandigam	Independent Director	2.00	2800
Mrs. Vanitha Nagulavari	Independent Director	2.00	16200
Mrs. Kanti Kiran Doddapaneni	Non- Executive Director (Promoter Group)	Nil	188002
Mr. Nageswara Rao Koripalli	Independent Director	2.00	6000

Other than the sitting fees paid to the Non-Executive Directors, they had no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its directors/ employees during the financial year under review.

Mr. Nageswara Rao Koripalli has been paid a sum of Rs. 1 Lakhs, towards Professional Charges for advisory services provided by him to the Company.

Mrs. Kanti Kiran Doddapaneni, Non-Executive Director has renounced her sitting fees during the financial year under review.

There are neither specific contracts nor any severance fees. The terms of appointment are as decided by the Board and the general body.

C. Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee is as under:

S.No.	Name of the Member	Nature of Directorship	Designation
1	Mrs. Kanti Kiran Doddapaneni	Non-Executive Director	Chairman
2	Mrs. Vanitha Nagulavari	Independent Director	Member
3	Mr. Kodali Srikanth	Executive Director	Member

During the financial year under review, only one Stakeholder Relationship Committee meeting was held on 12th February, 2021, and all the members of the Committee attended the meeting.

The Stakeholders' Relationship Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints. In accordance with Regulation 6 of the SEBI (LODR) Regulations, 2015, the Board has authorized the Company's Registrar and Transfer Agent (RTA) Bigshare Services Private Limited to approve the share transfers/ transmissions and to comply with other formalities in relation thereto in coordination with the Compliance Officer of the Company. All the investors' complaints, which cannot be settled at the level RTA and the Compliance Officer, will be placed before the Committee for final settlement.

Name of the Non-Executive Director heading the committee	Mrs. Kanti Kiran Doddapaneni
Name and designation of the Compliance Officer	Ms.Kinkeri Vyshali, Company Secretary and Compliance Officer
Number of Shareholders' Complaints received in FY 2020-21	Nil
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

1 Ms. Amreen Gulnaaz has resigned w.e.f June 15, 2021 and Ms. Kinkeri Vyshali has been appointed as Company Secretary and Compliance Officer w.e.f August 09, 2021.

D. Corporate Social Responsibility Committee (CSRC).

The Board constituted a CSR Committee as per the provisions of Section 135 of the Companies Act, 2013 and entrusted the responsibility to comply with the said provisions to such Committee. The composition of the CSRC is as under:

S. No.	Name of the Director	Nature of Directorship	Category	No. of Meetings attended	
				Held	Attended
1	Mr. Srikanth Kodalli	Managing Director	Chairman	3	3
2	Mrs. Vanitha Nagulavari	Independent Director	Member	3	3
3	Dr. Chereddi Ramachandra Naidu	Executive Director	Member	3	3

Meetings and attendance during the year 2020-21

During the year three (03) meetings of the Corporate Social Responsibility Committee were held and the details of attendance of the directors in such meetings are as follows.

Date of the Meeting
15 th April, 2020
14 th August, 2020
12 th February, 2021

GENERAL BODY MEETINGS

The details of the last three Annual General Meetings (AGMs) held by the company are given below:

Financial Year Ended	Date	Venue	Time	Special Resolution Passed
31 st March, 2020	30 th September, 2020	Plot No. 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	11.30 A.M	No Special Resolution was passed during the said AGM
31 st March, 2019	27 th September, 2019	Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033	11.30 A.M	No Special Resolution was passed during the said AGM
31 st March, 2018	28 th September, 2018	Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033	11.30 A.M	No Special Resolution was passed during the said AGM

The details of General Meetings (other than AGMs) held during the last three years are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
2019-20	11 th Jan, 2020	Corporate Office of the company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500034	10.30 A.M	Authorisation to the Board of Directors to Mortgage /Charge /Hypothecate Property(ies) /Undertaking(s) of the Company- Special Resolution. Increase in the borrowing powers of the company – Special Resolution
2017-18	22 nd Feb, 2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	10.00 A.M	Issue of shares through Initial Public Offer IPO – Special Resolution Keeping Registers and Returns at the Corporate Office of the Company

Financial year ended	Date	Venue	Time	Special Resolution passed
2017-18	14 th Feb, 2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	10.00 A.M	No Special Resolutions was proposed
2017-18	29 th Jan, 2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	04.00 P.M	Appointment of Mr. Srikanth Kodali as Managing Director of The Company- Special Resolution Appointment of Mrs. Kanti Kiran Doddapaneni as Whole Time Director of the Company- Special Resolution.
2017-18	11 th Jan, 2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	11.00 A.M	Conversion of Private Company to Public Company- Special Resolution. Adoption of New Set of Articles of Association
2017-18	1 st Aug, 2017	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	10.00 A.M	Issue of Bonus Shares- Special Resolution

Financial year ended	Date of Declaration of Results	Person who conducted the Postal ballot Exercise	Procedure for Postal Ballot	Whether any Special Resolution is proposed and Passed through postal Ballot – details of voting pattern								
2020-2021	18th March,2021	CS D S Rao, Practicing Company Secretary, Hyderabad was scrutinizer for the Postal Ballot	The procedure for postal ballot is as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014	<div>1. Reappointment of Mr. Srikanth Kodali (02464623) as Managing Director of the Company.<table><tr><td>No. of valid postal ballot and electronic votes</td><td>33</td></tr><tr><td>No of Equity Shares</td><td>16,34,626 (all votes are in favour)</td></tr></table>Note: Mr. Srikanth Kodali did not participate in the voting since he is the appointee.</div> <div>2. Alteration of the object clause in the Memorandum of association<table><tr><td>No. of valid postal ballot and electronic votes</td><td>33</td></tr><tr><td>No of Equity Shares</td><td>88,38,319 (all votes are in favour)</td></tr></table></div>	No. of valid postal ballot and electronic votes	33	No of Equity Shares	16,34,626 (all votes are in favour)	No. of valid postal ballot and electronic votes	33	No of Equity Shares	88,38,319 (all votes are in favour)
No. of valid postal ballot and electronic votes	33											
No of Equity Shares	16,34,626 (all votes are in favour)											
No. of valid postal ballot and electronic votes	33											
No of Equity Shares	88,38,319 (all votes are in favour)											

MEANS OF COMMUNICATION.

a. Quarterly Results

Quarterly, half-yearly and annual results are published in two Newspapers- one in English and one in Telugu.

Annual Reports with audited financial statements are sent to shareholders through permitted mode.

b. Newspapers wherein results normally published

The results are normally published by the Company in the newspapers (Business Standard) in English version circulating in the whole of India and in regional newspaper (Nava Telangana - Telugu) in the vernacular language in all editions.

c. Any website, where displayed.

The results are also published on the Company's website: www.kapstonfm.com.

d. Whether it also displays official news releases:

The newsletters and press releases made from time to time, if any, are also displayed on the Company's website.

e. Presentations made to institutional investors or to analysts:

The presentations made from time to time, if any, to institutional investors or to analysts are displayed on the Company's website.

GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting Date and Time:	September 18, 2021 at 11:00 A.M.		
Venue:	At the Corporate office of the Company situated at Plot No.75,Kavuri Hills,Madhapur,Hyderabad-500034		
Last Date of Proxy forms submission	48 hours before the meeting i.e, September 16, 2021.		
Period Date for exercising e-voting	15-09-2021 to 17-09-2021.		
Financial Year	01st April, 2020-31st March, 2021		
Book Closure	NA		
Dividend Payment Date	NA		
Name of the Stock Exchange	National Stock Exchange of India Limited, "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block, Bhandra- Kurla Complex, Bandra (E), Mumbai		
Stock Code	Name of the Stock Exchange	Stock Code	Scrip Code
	NSE	N.A	KAPSTON
Listing fees to the stock exchanges and Annual custodian fees to depositories for the year 2020-21 and 2021-22 have been paid.			

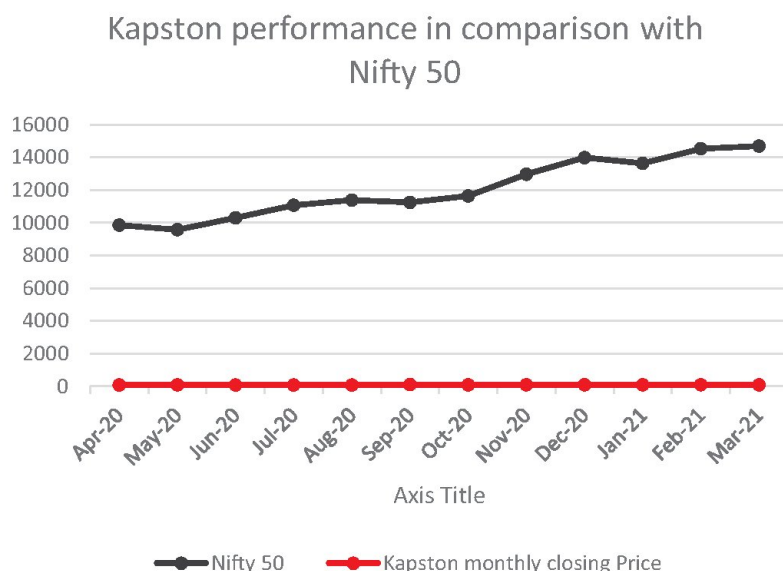
Market price data & Share performance of the Company:

The monthly high, low and trading volumes of the Company's equity shares during the financial year 2020-21 at National Stock Exchange of India Limited (NSE) are given below:

Month	NSE EMERGE		
	High (₹)	Low (₹)	Volume
April, 2020	91.20	91.00	4,000
May, 2020	100	81.05	5,000
June, 2020	113.20	81.20	23,000
July, 2020	94.60	84.75	27,000
August, 2020	95.00	73.15	34,000
September, 2020	131.35	79.55	1,00,000
October, 2020	117.00	94.20	45,000
November, 2020	105.00	92.05	9,000
December, 2020	104.00	96.10	12,000
January, 2021	113.90	95.00	7,000
February, 2021	107.00	94.00	9,000
March, 2021	111.90	88.35	20,000

Share Performance of the Company in comparison with broad based indices- NIFTY 50

NIFTY 50 v/s Kapston Close Price



In case the securities are suspended from trading, the directors' report shall explain the reason thereof:

During the reporting period there are no instances of suspension of trading in the shares of the Company.

Registrar to an Issue and Share Transfer Agents:

Registrar and Transfer Agents (for shares held in both physical and demat mode)	Bigshare Services Private Limited 306, Right Wing, 3 rd Floor Amrutha Ville, Opp. Yashoda Hospital Somajiguda Rajbhavan Rd Hyderabad, Telangana- 500082.
Telephone Numbers	040-2337 4967/ 040-2337 0295
Contact Person	R. Amarendranath
Email id:	amarendranath.r@bigshareonline.com bsshyd@bigshareonline.com
Website	www.bigshareonline.com

Share Transfer System

Bigshare Services Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent. Share transfers are registered and processed in the normal course within a period of less than 15 days from the date of receipt if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrar and Share Transfer Agent has been delegated the power of share transfer to expedite the transfer formalities, which is in line with Schedule VII and Regulation 40 of the SEBI (Listing Obligations and Disclosure Regulations) 2015.

The entire equity shares of the Company are held in Dematerialized form

Distribution of shareholding (in Rupees) as on 31st March, 2021.

S.No	Shareholding of Nominal	No of Shareholders	% of total	Share amount (₹)	% to Total share amount
1.	1-5,000	292	60.08	2,40,410	0.24
2.	5,001-10,000	32	6.58	2,47,810	0.24
3.	10,001-20,000	78	16.05	11,01,990	1.09
4.	20,001-30,000	20	4.12	5,27,290	0.52
5.	30,001-40,000	3	0.62	1,14,540	0.11
6.	40,001 - 50,000	8	1.65	3,43,500	0.34
7.	50,001-1,00,000	13	2.67	8,63,120	0.85
8.	1,00,001 and above	40	8.23	9,80,01,950	96.61
Total		486	100	10,14,40,610	100.00

The total no of shareholders i.e 486 includes shareholders who hold two Demat accounts with same PAN, the actual shareholders as on March 31, 2021 is equal to 479.

Shareholding Pattern as on 31st March, 2021:

Category	No of Shares Held	Percentage of Capital
Indian Promoters	73,91,695	72.87
Banks, Financial Institutions, and Mutual Funds	Nil	-
Foreign Portfolio Investors and Foreign Institutional Investors	Nil	-
Indian Public and HUF	27,41,559	27.03
Private Corporate Bodies/Body Corporate	10,807	0.10
NRI/OCB's/FCB and Foreign Nationals	Nil	-
Others	Nil	-
Total	1,01,44,061	100

Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of Shareholders	% of total shareholders
1,01,44,061	100	486	100

The breakup of Shares in demat and physical form as on 31st March, 2021 is as follows.

Particulars	No. of shares of ₹ 10 /- each	% of Shares
Demat Segment		
NSDL	22,74,899	22.43
CDSL	78,69,162	77.57
Sub-total	1,01,44,061	100.00
Physical Segment	Nil	----
Total	1,01,44,061	100.00

Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

No GDR/ADRs/ warrants or any convertible instruments have been issued by the Company during the year under review or are outstanding as at the end of the financial year 2020-21.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

The Company is not involved in any such activity.

Our Branches and Training Center:

In addition to our Registered Office, Corporate Office and Recruitment Office situated at Hyderabad, we have Four (4) branches from where we operate. Details of Branches are as follows:

S.no	Branch	Address	Nature of Operation
1	Corporate Office	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500034	Administration, Back end operation
2	Registered office	Plot No. 287, MIG - 2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana - 500 072	Recruitment, Administration, Training
3	Recruitment office	2 nd floor, Vashita Bhavan, HIG-9A and 10A, AP Housing board colony, Gachibowli, Serilingampally, Hyderabad, Telangana	Recruitment
4	Vizag	50-49-25/1, 2 nd Floor, TPT Colony, Seethammadhara, Opp. NRI Hospital Vishakapatnam, Andhra Pradesh – 530013	Recruitment, Administration, Training
5	Vijayawada	GF-4, Anjana Apartments, Water tank road, Labbipet, Vijayawada, Andhra Pradesh – 520010	Recruitment, Administration, Training
6	Bengaluru	2 nd Floor, RPR complex, site It, 4 52, 1 st stage, 2 nd Main Road, Kamadhenu Layout, B. Narayanapura, Bangalore, Karnataka - 560043.	Recruitment, Administration, Training
7	Chennai	#L1, Ram Building, 1st Floor, Tiru Vi Ka Industrial Estate, Guindy, Chennai, Tamil Nadu – 600032	Recruitment, Administration, Training
8	Bhubaneswar	4 th Floor, Flat No. 10, Plot No A/181, Janardhan House, Shaheed Nagar, Landmark: Opp to OPDC Building, Shaheed Nagar, Bhubaneswar District – Khurda, Odisha – 751007	Recruitment, Administration, Training
9	Pune	Office No. 03, Wing B, 4 th Floor, Office No. 3, B Wing, City Vista, Kharadi, Pune, Maharashtra – 411014	Recruitment, Administration, Training
10	Mumbai	#818, Hubtown Viva, Western Express Highway, Saraswati Baug, Shakerwadi, Jogeshwari (East), Mumbai – 400 060, Maharashtra (India)	Recruitment, Administration, Training
11	Kolkata	12 th Floor, Tower II, Godrej Waterside, DP – 5, DP Block, Sector V, Bidhannagar Godrej Waterside, Kolkata – 700091	Recruitment, Administration, Training
12	Delhi	Unit 3G, 3 rd Floor, Uppals M6 Plaza, Jasola District Centre, New Delhi – 110025	Recruitment, Administration, Training

Details of Our Training Centres are as follows Our Training Centres

S. No.	State	Location	Address
1	Telangana	Hyderabad	Kapston Training Academy, H.No. 1-1-31/1, Budvel, Under GHMC, Rajendranagar Circle, Rangareddy, Hyderabad, Telangana- 500030
2			Kapston Training Academy, Plot No. 287, MIG - 2, IX Phase, KPHB Colony, Hyderabad, Telangana- 500072
3	Karnataka	Mysore	Kapston Training Academy, 2 nd Floor, MES High School Campus, Umbar Khyam Road, Tilak Nagar, Mysore, Karnataka-570021
4	Odisha	Odisha	Kapston Training Academy, Hi-Tech Institute of Technology, Barunei Industrial Estate, Near NH-16, Khurda, Odisha- 752057
5			Kapston Training Academy, Subhas Institute of Technology, Plot No. 972,973, Gyan Vihar, Baranga, Cuttak, Odisha- 754005

*Training Centres at Kompally, Hyderabad and Aurangabad, Maharashtra are permanently closed during this.

Address for Correspondence:

Corporate Office	Kapston Facilities Management Limited Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034
Telephone Numbers	+919848778243 +91 40 29806955 +91 9640504050
Website	www.kapstonfm.com
Email-id:	cs@kapstonfm.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programs or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

Kapston Facilities Management Limited has obtained credit rating from CRISIL, An S & P Global Company and they have given their credit rating vide its letter dated Jan 13, 2021, the credit rating details are as follows

Long Term Rating	CRISIL BBB/Stable (Assigned)
Short Term Rating	CRISIL A3+ (Assigned)

4. OTHER DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of listed entity at large:

There are no related party transaction during the financial year under review except the one disclosed in the financial statements. The Company does not have any subsidiary or associate company or group company, therefore Related Party Disclosure as required under Schedule V of SEBI (LODR) Regulations is not applicable.

The Remuneration paid to Managing Director and Executive Chairman is approved by Shareholders as per the provisions of Companies Act, 2013. Policy for Related Party Transactions is hosted on the Company's website at https://www.kapstonfm.com/images/PDF/Related_party_policy.pdf

B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There was no instance of non-compliance pertaining to stock exchanges, statutory authority or any other capital market regulator during the preceding three years.

C. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee;

The Company has formulated a Whistle Blower Policy and has also established a vigil mechanism for employees and directors to report genuine concerns and instances of fraud/ illegal activities and no personnel had been denied access to the Audit Committee. The Policy is placed on the website of the Company under the web link: <https://www.kapstonfm.com/images/PDF/Whistle%20Blower%20policyyy.pdf>. As per the Policy and Internal Code of Conduct all personnel of the Company have been given access to the Chairman of Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements enumerated in the Listing Regulations and the Companies Act, 2013 read with the rules made thereunder and is also in compliance with non-mandatory requirements to maximum extent.

E. Weblink of the Policy for determining “material” subsidiaries is disclosed.

The Company does not have any subsidiary, therefore the Company did not adopt any policy on “Material Subsidiary”.

F. Web link of the policy on dealing with Related Party Transactions.

The Board has formulated a policy on Related Party Transactions and has revised it from time to time in the light of amendments to the Listing Regulations and the same is available on the Company’s website under the web link: https://www.kapstonfm.com/images/PDF/Related_party_policy.pdf

G. Disclosure of Commodity Price Risks and Commodity Hedging Activities:

The Company is not dealing in any commodities.

H. A certificate from Mr. D.S. Rao, Practicing Company Secretary, Hyderabad stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority, has been enclosed separately to this Report.

I. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) Not Applicable

J. Whether the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year: No

K. Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	₹ in lakhs
Name of Auditor	NSVR & Associates LLP.
Statutory Audit	3.00
Taxation matters	2.00
Reimbursement of expenses	0

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The disclosure pertaining to the complaints are given hereunder:

No. of complaints received during the year	Nil
No. of complaints disposed off during the year	Nil
No. of complaints pending as on end of financial year	Nil

Non-compliance of any requirement of Corporate Governance Report, with reasons thereof shall be disclosed: All the above requirements w.r.t. this Report have been complied with

The extent to which the discretionary requirements as specified in the Part E of Schedule II have been adopted. Discretionary Requirements

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

(i) The Board:

The office of Dr. Cherreddi Ramachandra Naidu, Executive Chairperson, is maintained at the expense of the Company and he is allowed reimbursement of expenses incurred in performance of his duties, if any.

(ii) Shareholders Rights:

All quarterly /half yearly/ annual financial results are submitted to the stock exchanges and are simultaneously placed on the website of the Company at www.kapstonfm.com part from being published in the newspapers.

(iii) Modified opinion(s) in audit report

There are no modified opinions in the Audit Report for the financial year ended 31st March, 2021.

(iv) Reporting of Internal Auditor:

The Internal Auditor of the Company reports directly to the Chairman of the Audit Committee, stating observations, if any.

The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report:

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
17A	Maximum Number of Directorship	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:

The Company has in place a comprehensive Code of Conduct (the Code) pursuant to Regulation 17(5) of Listing Regulations which is applicable to all the senior management personnel and directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities.

A copy of the Code of Conduct has been placed on the Company's website www.kapstonfm.com. All the Board members and the senior management personnel have confirmed compliance with the Code.

Declaration on compliance with Code of Conduct is annexed to this Report.

MD And CFO Certification:

The Managing Director and Chief Financial Officer have provided a certificate in compliance with the Regulations 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors' Report:

Compliance Certificate on the compliance of conditions of corporate governance pursuant to Para E of Schedule V to the SEBI (LODR) Regulations, 2015 from Mr. D.S. Rao, Practising Company Secretary, Hyderabad, is enclosed as an annexure to this Report.

Transfer of shares to Investor Education & Protection Fund (IEPF):

This provision is not applicable to the Company as the Company has declared dividend in the year 2020-21 and seven years have not elapsed from the date of declaration of the dividend.

Unclaimed Equity Dividends and Shares:

This provision is not applicable to the Company as the Company has declared dividend in the year 2020-21 and seven years have not elapsed from the date of declaration of dividend.

Guidance for Investor to file claim: Not Applicable

Disclosures with respect to demat suspense account/ unclaimed suspense account:

Since no shares of the Company have been transferred to Demat Suspense Account/ Unclaimed Suspense Account in accordance with Regulation 39 of the SEBI (LODR) Regulations, 2015 read with Schedule VI thereto, disclosures w.r.t. the same are not applicable to the Company.

On behalf of the Board of Directors

Sd/-

Dr. Chereddi Ramachandra Naidu

Chairman

DIN: 02096757

Place: Hyderabad

Date: August 09, 2021

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members,
KAPSTON FACILITIES MANAGEMENT LIMITED
Plot No.287,MIG-2, IX Phase KPHB, Kukatpally,
Hyderabad- 500072

We have examined the relevant records, forms, returns and disclosures received from the directors of **KAPSTON FACILITIES MANAGEMENT LIMITED** having CIN: L15400TG2009PLC062658 and having registered office at Plot No.287,MIG-2, IX Phase KPHB, Kukatpally, Hyderabad- 500072, (hereinafter referred to as “the Company”) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company for the financial year ended **March 31, 2021** have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

Sr. No.	Name of Director	Nature/ Category of Directorship	DIN
1	Ramachandra Naidu Chereddi	Executive Chairman	02096757
2	Kodali Srikanth	Managing Director	02464623
3	Doddapaneni Kanti Kiran	Non-Executive Director	07420023
4	Naveen Nandigam	Independent Director	02726620
5	Vanitha Nagulavari	Independent Director	07271674
6	Nageswara Rao Koripalli	Independent Director	08734786

Ensuring eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Mr. D.S. RAO

Practising Company Secretary

ACS No.: 12394

CP. No.: 14487

UDIN: A012394C000759294

Date: August 09, 2021

Place: Hyderabad

MANAGING DIRECTOR'S AND CFO'S CERTIFICATION

To
The Board of Directors,
Kapston Facilities Management Limited.

We, Srikanth Kodali, Managing Director and Brendon Thomas Pereira, Chief Financial Officer of Kapston Facilities Management Limited, certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year ended 31 March 2021 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 Company's affairs 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, which are fraudulent, illegal or in violation of Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation 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 have indicated to the Auditors and 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. That there have been no instances of significant fraud of which we have become aware, involving of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Hyderabad
Date: August 09, 2021

Sd/-
Mr. Brendon Thomas Pereira
Chief Financial Officer

Sd/-
Mr. Srikanth Kodali
Chairman - CSR Committee
(DIN 02464623)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, Srikanth Kodali, Managing Director, hereby declare that the Company has received declarations from all the Board Members and Senior Managerial Personnel affirming Compliance with the Code of Conduct for the Members of the Board and Senior Managerial Personnel for the year ended 31st March, 2021.

Place: Hyderabad
Date: August 09, 2021

Sd/-
Mr. Srikanth Kodali
Managing Director
DIN 02464623

To
The Members,
KAPSTON FACILITIES MANAGEMENT LIMITED
Plot No.287,MIG-2, IX Phase KPHB, Kukatpally,
Hyderabad- 500072

We have examined the compliance of the conditions of Corporate Governance by **KAPSTON FACILITIES MANAGEMENT LIMITED** (hereinafter referred to as “the Company”) for the year ended March 31, 2021 as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the financial viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: August 09, 2021
Place: Hyderabad

Sd/-
Mr. D.S. RAO
Practising Company Secretary
ACS No.: 12394
CP. No.: 14487
UDIN: A012394C000759316

Annexure II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31,2021

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

I. REGISTRATION AND OTHER DETAILS:

1. CIN	L15400TG2009PLC062658
2. Registration Date	31/01/2009
3. Name of the Company	Kapston Facilities Management Limited.
4. Category/Sub-category of the Company	Company Limited by Shares/ Indian non-government company.
5. Address of the Registered office & contact details	Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad-500072,Telangana, India. Phone No: +91 9848778241/42 e-mail ID: info@kapstonfm.com Website :www.kapstonfm.com
6. Address other than R/O where all or any books of account and papers are maintained	Plot No 75, Kavuri Hills, Madhapur,Hyderabad, Telangana- 500034 Phone No:+91 9848778243 e-mail ID: info@kapstonfm.com
7. Whether listed company	Yes. <ul style="list-style-type: none"> Listed on NSE emerge w.e.f April 4th, 2018 Equity shares of company were migrated to Main Board of National Stock Exchange of India Limited w.e.f. May 27th, 2020.
8. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited CIN: U99999MH1994PTC076534 #306, Right Wing, Amrutha Ville, Opp. Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082. Contact : 91-40-23374967/23370295, Fax: 91-04-2337 029 Email: bsshyd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Contributing 10 % or more of the total turnover of the company)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Private Security Services	801	40.67
2	House Keeping Services	Division 81 (811, 812, 813)	55.9

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

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

i. Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year April 1, 2020				Shareholding at the end of the year March 31, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1)Indian									
a) Individual/ HUF	73,91,695	0	73,91,695	72.87	73,91,695	0	73,91,695	72.87	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	73,91,695	0	73,91,695	72.87	73,91,695	0	73,91,695	72.87	0
(2) Foreign									
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter and Promoter Group (A) = (A) (1)+(A)(2).	73,91,695	0	73,91,695	72.87	73,91,695	0	73,91,695	72.87	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	9,800	0	9,800	0.10	10,807	0	10,807	0.10	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	5,39,772	0	5,39,772	5.32	5,41,057	0	5,41,057	5.33	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	21,53,794	0	21,53,794	21.23	21,53,794	0	21,53,794	21.23	0.32

Category of Shareholders	Shareholding at the beginning of the year April 1, 2020				Shareholding at the end of the year March 31, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)		21,47,800	0	21,47,800	21.17				
i. Non Resident Indians	0	0	0	0	2,408	0	2,408	0.02	0.02
ii. Clearing Members	0	0	0	0	354	0	354	0.003	0.003
iii. Hindu Undivided Family	19,600	0	19,600	0.19	16,540	0	16,540	0.16	(0.03)
iv. Any other	29400	0	29400	0.29	33,400	0	33,400	0.33	0.04
(Other Non-Promoter Directors and their relatives (holding less than 1%))									
Sub-total (B)(2):-	27,52,366	0	27,52,366	27.13	27,52,366	0	27,52,366	27.13	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27,52,366	0	27,52,366	27.13	27,52,366	0	27,52,366	27.13	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	101,44,061	0	101,44,061	100.00	101,44,061	0	101,44,061	100.00	0

Note : The change in the Paid-up Share Capital is due to Bonus Shares allotted during the financial year under review

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year April 1,2020			Shareholding at the end of the year March 31,2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares held by promoter	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares held by promoter	
1	Mr. Srikanth Kodali	72,03,693	71.01	71.81	72,03,693	71.01	0	0
2	Mrs. Kanti Kiran Doddapaneni	1,88,002	1.85	0	1,88,002	1.85	0	0
Total		73,91,695	72.86	69.9	73,91,695	72.86	0	0

C) Change in Promoters' Shareholding:

SL.No.	Name of the Promoter	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year April 01,2020		Cumulative shareholding end of the year March 31,2021	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Srikanth Kodali	No change during the year	72,03,693	71.01	72,03,693	71.01
2.	Mrs. Kanti Kiran Doddapaneni	No change during the year.	1,88,002	1.85	1,88,002	1.85

D) Shareholding Pattern of top ten Shareholders (Other than Directors and Promoters and Holders of GDRs and ADRs)

S. No.	Top 10 Shareholders	Shareholding at the beginning of the year April 01,2020		Cumulative shareholding end of the year March 31,2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sasikala.C.V.S	2,49,550	2.46	2,49,550	2.46
2	V Sudha Sarada	1,45,600	1.43	1,45,000	1.43
3	Ravya Kantheti	1,34,400	1.32	1,34,400	1.32
4	Hari Chereddi	1,20,400	1.18	1,20,400	1.18
5	Chandra Kanth Chereddi	1,20,400	1.18	1,20,400	1.18
6	Gayithri Kishor	1,40,000	1.38	1,19,000	1.73
7	Lekhya Kantheti	99,400	0.98	99,416	0.98
8	K.Satish	89,600	0.88	89,600	0.88
9	K.Swapna	85,400	0.84	85,400	0.84
10	Shiva Bhaskara Naren Paturi	82022	0.82	82022	0.80

E) Shareholding of directors and key managerial personnel

S. No.	Name of the Director/ KMP	Date		Shareholding at the beginning of the year April 01,2020		Cumulative shareholding during the Year March 31,2021	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Chereddi Ramachandra Naidu -Executive Chairman	April 01,2020	At the beginning of the year	6,41,200	6.32	6,41,200	6.32
		March 31,2021	At the end of the yea	6,41,200	6.32		
2	Mr. Srikanth Kodali – Managing Director	April 01,2020	At the beginning of the year	72,03,693	71.01	72,03,693	71.01
		March 31,2021	At the end of the year	72,03,693	71.01		
3	Mrs. Nagulavari Vanitha – Independent Director	April 01,2020	At the beginning of the year	18,200	0.18	16,200	0.16
		March 31,2021	At the end of the year	16,200	0.16		
4	Mrs. Kanti Kiran Doddapaneni –Non Executive Director	April 01,2020	At the beginning of the year	1,88,002	1.85	1,88,002	1.85
		March 31,2021	At the end of the year	1,88,002	1.85		
5	Mr. Naveen Nandigam – Independent Director	April 01,2020	At the beginning of the year	2,800	0.03	2,800	0.27
		March 31,2021	At the end of the year	2,800	0.27		
6	Mr. Brendon Thomas Pereira - Chief Financial Officer (CFO)	April 01,2020	At the beginning of the year	28,000	0.28	28,000	0.28
		March 31,2021	At the end of the year	28,000	0.28		
7	Ms. Amreen Gulnaaz - Company Secretary & Compliance officer	April 01,2020	At the beginning of the year	1,718	0.02	1,718	0.02
		March 31,2021	At the end of the year	1,718	0.02		

Ms. Amreen Gulnaz, has resigned from the post of Company Secretary and Compliance Officer w.e.f 15th June, 2021 and Ms. Kinkeri Vyshali has been appointed in her role w.e.f. 9th August, 2021.

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2021.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1,2020)	4,430.29	482.11	-	4912.40
i) Principal Amount	4,430.29	482.11	-	4912.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,430.29	482.11	-	4912.40
Change in Indebtedness during the financial year				
* Addition	38,631.12	904.86	-	39,535.98
* Reduction	(39,636.11)	(82.87)	-	(39,718.98)
Net Change	(1004.99)	821.99	-	(183.74)
Indebtedness at the end of the financial year	3,425.30	1,304.1	-	4,729.40
i) Principal Amount	3,425.30	1,304.1	-	4,729.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total Indebtedness at the end of the Financial year	3,425.30	1,304.1	-	4,729.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Managing Director	Non-Executive Director	Executive Chairman	Total Amount
		Mr. Srikanth Kodali	Mrs. Kanti Kiran Doddapaneni	Dr. Chereddi Ramachandra Naidu	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	87.00	Nil	11.03	98.03
	(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	-	-	-	-
	Total (A)	87.00	NIL	11.03	98.03

B. Remuneration to other directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Other Directors			Total
		Mrs.Vanitha Nagulavari	Mr. Naveen Nandigam	Mr. Nageswara Rao Koripalli	
		Independent Director	Independent Director	Independent Director	
1	Sitting Fee	2.00	2.00	2.00	6.00
2	Professional Charges for Advisory Services	Nil	Nil	1.00	1.00
Total					7.00

C. Remuneration to key managerial personnel other than MD/Manager/Whole-Time Director

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Brendon Thomas Pereira	Ms. Amreen Gulnaaz		
		Chief Financial Officer	Whole Time Company Secretary		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.5	4.89		13.39
	(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	-	-		-
Total		8.5	4.89		13.39

V. Penalties/Punishment/Compounding of offence (For Company/Directors/Other Officers in Default)

Type	Section of Companies Act	Brief description	Details of penalty/punishment /compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any(give details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

On behalf of the Board of Directors

Sd/-

Dr. Chereddi Ramachandra Naidu

Executive Chairman

DIN 02096757

Date: August 09, 2021

Place: Hyderabad

Annexure III

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. A brief outline of the company's CSR policy

Kapston believes in creating significant and sustainable societal value, by engaging in community services which have positive impact on the life of people.

CSR vision:

- To help underprivileged children to access quality education.
- To promote gender equality and empowering women.

- To contribution to the Swach Bharat Kosh set-up by the Central Government, any other Government authority for the promotion of sanitation.
- To promote health care including preventive health care.

CSR mission:

Contribution to the well-being of the community around us by supporting programs that bring about sustainable changes through education, gender equality, empowerment, health care and sanitation etc.

SR Amount spent during the year 2019-20

S.No	Name of the Director	Designation/Nature of Directorship	Number of CSR Meeting held during the year	Number of meetings attended by Committee members
1	Mr. Srikanth Kodali	Chairman (Managing Director, Executive)	3	3
2	Mrs. Vanitha Nagulavari	Member (Non- Executive Independent Director)	3	3
3	Dr. Chereddi Ramachandra Naidu	Member (Chairman, Executive Director)	3	3

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

- The web link to the composition of CSR Committee is available at <https://kapstonfm.com/investors.html>
- The web link to the CSR policy is available at <https://kapstonfm.com/images/PDF/CSR%20Policy.pdf>
- The web link to the projects/Annual Report of activities as approved by the Board of Directors is available at <https://kapstonfm.com/investors.html>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

S.No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the Financial Year, if any (in ₹)
1	2017-18	-	-
2	2018-19	-	-
3	2019-20	-	-

6. Average Net Profit of the Company as per Section 135(5) of the Act: ₹ 913.14 Lakhs

S.No	Particulars	Amount (in ₹)	
1	Two percent of average Net Profit of the Company as per Section 135(5) of the Act	-	Two percent of average net profit of the
2	Total amount spent for the Financial Year	-	Company as per
3	Excess amount spent for the Financial Year [(ii)-(i)]	-	Section 135(5) of
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-	the Act for the
5	Amount payable for set off in succeeding financial years [(iii)-(iv)]	-	Financial Year 2020-21: ₹ 18.26 Lakhs

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.

c. Amount required to be set off for the Financial Year, if any: Not applicable

d. Total CSR obligation for the Financial Year (a+b-c): ₹ 18.26 Lakhs

8. a. CSR Amount spent or unspent for the Financial Year (in ₹)

Total amount spent	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 18.26 Lakhs	--	--	NA	--	NA

b. Details of CSR amount spent against ongoing projects for the Financial Year: Refer Annexure- IIIA

c. Details of CSR amount spent against other than ongoing projects for the Financial Year: Not applicable

d. Amount spent in Administrative Overheads: --

e. Total Amount spent on Impact Assessment, if applicable: Not applicable

f. Total amount spent for the Financial Year: ₹ 18.26 Lakhs

g. Excess Amount for set off, if any

* An amount of Rs. 8,94,101 spent during the year is the balance brought forward from the unspent amount of previous financial year.

9. a. Details of Unspent CSR Amount for the preceding three financial years: ₹ 8,94,101 for the year 2019-20.

b. Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s): ₹ 8,94,101

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year: Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act: Not applicable

(₹ in Lakhs)

S. No	Name of Projects	Item from the list of activities in Schedule VII to the Act	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) for projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implantation- Direct (Yes/ No)	Mode of implementing agency –	
								Name	CSR Registration
1	Prime Minister's National Relief Fund (PMNRF)	(vii)	A Public Charitable Trust to combat COVID-19 throughout the Country.	10.00	10.00	--	No	Prime Minister's National Relief Fund (PMNRF)	
2	Chief Minister Relief Fund, Telangana.	(xii)	Telangana	10.00	10.00	--	No	Chief Minister Relief Fund, Telangana.	
3	Swach Bharat Kosh	(i)	Promoting health care including preventive health care.	2.20	2.20	--	No	Swach Bharat Kosh	
4	Swayam Seva Abhiru	(ii)	Promoting digital education	5.00	5.00	--	No	Through Ministry of Education	
TOTAL						27.20			

Responsibility Statement: The CSR Committee confirms that the implementation and monitoring of the Company's CSR policy in compliance with the CSR Policy and objectives of the Company.

**for and on behalf of the Board
for Kapston Facilities Management Limited**

Sd/-
Mr. Kodali Srikanth
Managing Director
DIN: 02464623

Sd/-
Mr. Chereddi Ramachandra Naidu
Chairman
DIN: 02096757

Place: Hyderabad
Date: August 09, 2021

Annexure IV

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

(₹ In Lakhs)

S.No	Name of Director/Key Managerial Personnel	Remuneration 2019-20 (p.a)	Remuneration 2020-21 (p.a)	Percentage Change	Ratio to Median Remuneration
1	Mr. Srikanth Kodali	120.00	87.00	-27.5	33.11
2	Dr. Chereddi Ramachandra Naidu *	15.00	11.03	-26.5	4.20
3	Mr.Brendon Thomas Pereira –CFO	12.00	8.50	-29.17	3.24
4	Ms.Amreen Gulnaaz –CS	5.40	4.80	-11.11	1.83

The company has not paid any remuneration (except sitting fee) to the Non-Executive Directors of the company during the financial year under review (i.e. FY 2020-21)

(₹ in Lakhs)

Independent /Non-Executive Directors	Sitting fee	Ratio to Median Remuneration
Mr. Naveen Nandigam	2.00	0.76
Mrs. Vanitha Nagulavari	2.00	0.76
Mr. K Nageswara Rao	2.00	0.76
Mrs. Kanti Kiran Doddapaneni	Nil	-----

- ii) The percentage of decrease in the median remuneration of employees in the financial year: 21.17%
- iii) The number of permanent employees on the rolls of the Company: 324
- iv) The median remuneration of employees of the Company during the financial year was: ₹ 2,62,741
- v) Affirmation that the remuneration is as per the remuneration policy:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

- B. Information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(₹ in Lakhs)

S. No	Employee name	Designation	Educational qualification	Age (Years)	Experience (in years)	Date of Joining	Gross Remuneration Paid (Amount in Lakhs)	Previous employment and designation, if any	No. Shares held, if any	Whether relative to director or manager
1	Mora Vishnu Bhopal Rao	Chief Operating Officer	Post Graduate MTech	49	24	20-Nov-2013	37.21	CBRE	-	No
2	P Hara Prasad Panda	President Corporate Services	Post Graduate MBA	44	23	29-Jan-2020	25.12	Sodexo Facility Management	-	No
3	C. Srinivas	General Manager	Graduation Bcom	47	11	05-Jul-2010	19.43	Black Belt Commands Securitys	2,800	No
4	K. Satya Prakash	Associate Director - Sales & Facilities	Post Graduate MBA	44	26	14-Nov-2012	18.60	BJETS India Ltd.	2,800	No
5	Prasenjit Benerjee	Sr.Vice President	Post Graduate MBA	56	35	01-Dec-2017	16.57	AZZ infraservices LTD	2,800	No
6	A Venu Madhav	Regional Manager-Hyd & Vizag	Graduation Bsc	43	20	15-Jun-2014	16.52	ISS SDB Security Services Pvt.Ltd	-	No
7	S N Syam Sunder	Staffing Solutions	Graduation Bcom	41	21	05-Feb-2020	15.73	Deccan Services Pvt Ltd	-	No
8	PSRVSS Raju	General Manager	Graduation BA	52	12	30-Jan-2009	15.60	Self Employed	-	No
9	Sanjaya kumar Swain	Regional Head	Post Graduate MBA	45	27	10-Feb-2020	14.37	Virtuous Retail	-	No
10	S.Veera Raghava Rao	GM Finance	Post Graduate Mcom	68	46	03-Sep-2012	14.31	Dr.Reddy's Foundation	-	No

C. No employee of the Company who was appointed for throughout the year was in receipt of remuneration for an amount of One Crore and Two Lakh Rupees or above during the FY 2020-21.

D. No employee of the Company who was appointed for part of the year was in receipt of remuneration for an amount of Eight Lakh and Fifty Thousand Rupees per month or above during the FY 2020-21.

On behalf of the Board of Directors

Dr. Chereddi Ramachandra Naidu
Executive Chairman
DIN 02096757

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To

The Members

Kapston Facilities Management Limited

Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kapston Facilities Management Limited**, (hereinafter referred to as ("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 Company'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 authorized 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 March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanisms 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 the Company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the 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 by the Securities and Exchange Board of India ('SEBI') thereunder;
- (iv) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (v) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Financial Year under review:-
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vi) The industry specific laws that are applicable to the Company are as follows:

- (a) Contract Labour (Regulation & Abolition) Act, 1970
- (b) Private Security Agencies (Regulation) Act, 2005

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

- i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors and General Meetings respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

We report that, during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, the Regulations of SEBI and other acts, as specified above, applicable to the industry of the Company.

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review and till the date of this report the following changes took place in the composition of the Board of Directors:

S.No.	Name of the Director	Appointment/ Reappointment/ Change in designation/ Cessation	Our Comments
1	Mr. Nageswara Rao Koripalli	Appointment	Co-opted as Additional Director in the Independent category by the Board w.e.f. April 29, 2020.

Based on our verifications and the declarations received from the respective directors, we further report that, the directors are not disqualified to act as such under the provisions of the Companies Act, Orders/ Circulars/ Regulations issued by SEBI or such other acts, for the time being enforceable.

Adequate notice was given to all the 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

We further report that no prosecutions were initiated and no fines or penalties were imposed for the year, under the Companies Act, the SEBI Act, the SCRA or other SEBI Regulations, on the Company or its directors and officers.

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.

Sd/-

Mr. D.S. RAO

Practicing Company Secretary

M. No.: 12394

C.P. No.: 14487

UDIN: A012394C000759305

Place: Hyderabad

Date: August 09, 2021

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

To,
**The Members,
Kapston Facilities Management Limited,
Hyderabad.**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Mr. D.S. RAO

Practicing Company Secretary

M. No.: 12394

C.P. No.: 14487

UDIN: A012394C000759305

Place: Hyderabad

Date: August 09, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAPSTON FACILITES MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KAPSTON FACILITES MANAGEMENT LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss, total comprehensive income, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	How the Matter was addressed in Audit
Accuracy of recognition, measurement, presentation & disclosures of revenue A major portion of revenue of the company consists of revenue from contracts with customers in respect of security services and housekeeping services. Revenue is measured at the fair value of consideration received or receivable. Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts. Further, the contractual terms also determines the measurement and recognition of revenue and profit. The Company is therefore required to make operational and financial assumptions.	Principal Audit Procedures <ul style="list-style-type: none">Our audit procedures include testing and evaluation of internal control system implemented in respect of revenue and related activities. Our audit also consists of performing analytical procedures, review of contracts and agreements with the customers to understand the performance obligations of the parties.We have also performed testing of key controls over the contract process including contract monitoring, measurement of critical elements of the contract based on which revenue is recognised, invoicing and authorizations over certain systems used to generate the information. The basis for the evaluation of internal control has been Company's internal control framework for financial reporting.

<p>Judgements include:</p> <ul style="list-style-type: none"> • Interpretation of contract terms; • Allocation of revenue to performance conditions; and • Combining of obligations where the services are related. 	<p>We have performed the following audit procedures:</p> <p>Obtained a sample of contracts to confirm that revenue had been appropriately recognized. Tested the revenue recognised with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied.</p> <p>Based on our audit, no significant observations have been noted which have resulted in reporting to the audit committee. Our overall conclusion is that there are, in all material respects, proper processes in place to recognize the correct billed and unbilled revenue in the financial statement.</p>
<p>Trade Receivable:</p> <p>Trade receivables as indicated in Note No 5 comprise a significant portion of the total assets of the Company and serve as security for a majority of the Company's short-term debt. Total debtors constitute 51.60 % of the total assets of the company and the outstanding trade receivable are about 109.93 days of the total revenue.</p> <p>Accordingly, the value of receivables comprises a significant portion of the total assets of the company.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluate and test the controls for managing trade receivables like credit limits and subsequent recovery, • Assessing the recoverability of long out Standings, • Evaluation of status of disputes and possibility of recovery, • Seek independent confirmations and apply alternate audit procedures in case of non replies. <p>Conclusion</p> <p>Our procedures did not identify any material exceptions.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report there on.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for

the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, and cash flows of the Company in accordance with the accounting principles generally accepted in India, referred to in Section 133 of Companies Act 2013, read with the Companies (Indian Accounting standard) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the Accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 financial controls

relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Companies Act 2013, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Statement of Profit and Loss including other comprehensive income and Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder
 - e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

- 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"; and
- g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the company to its directors in accordance with the provision of section 197 read with Schedule V to the Act.
- h) 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) There are no pending litigations for or against the Company which would impact its financial position.
 - ii) The Company does not have any derivatives contracts. Further there are no long term contracts for which provisions for any material foreseeable losses is required to be made.
 - iii) There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.

For NSVR & ASSOCIATES LLP.,
Chartered Accountants
(FRN No.008801S/S200060)

Sd/-
Mr. R Srinivasu
Partner
M.No:224033
UDIN: 21224033AAAANR6353

Date: 12/06/2021
Place: Hyderabad.

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **KAPSTON FACILITES MANAGEMENT LIMITED** of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of **KAPSTON FACILITES MANAGEMENT LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company are 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 respective 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.

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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 statement for external purpose in accordance with generally accepted accounting principles. A company’s internal financial controls 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.

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.

For NSVR & ASSOCIATES LLP.,
Chartered Accountants
(FRN No.008801S/S200060)

Sd/-
Mr. R Srinivasu
Partner
M.No:224033
UDIN: 21224033AAAAANR6353

Date: 12/06/2021
Place: Hyderabad.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KAPSTON FACILITES MANAGEMENT LIMITED of even date)

i. In respect of the Company's fixed assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed Provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. In respect of the Company's Inventories:

- As explained to us, the physical verification of inventories, excluding stocks lying with third parties, have been conducted at reasonable intervals by the Management during the year. In case of inventories lying with third parties, certificates of stocks holding have been received.
- In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on

physical verification of stocks as compared to book records.

- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act. Thus, Clause 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable .
- viii. Based on our Audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.

- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised moneys by way of initial public offer or further public offer.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the 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.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NSVR & ASSOCIATES LLP.,
Chartered Accountants
(FRN No.008801S/S200060)

Sd/-
Mr. R Srinivasu
Partner
M.No:224033
UDIN: 21224033AAAANR6353

Date: 12/06/2021
Place: Hyderabad.

BALANCE SHEET AS ON 31.03.2021

(Amount in ₹)

Particulars	Notes	As at Mar 31, 2021	As at March 31, 2020	As at April 1, 2019
ASSETS				
1. Share holders funds				
a) Property plant and Equipment	2	913.22	890.91	326.24
b) Right of Use Asset	2	366.16	470.77	
c) Investment Properties	2(a)	1,121.52	1,114.98	1,076.98
d) Deferred Tax Assets (Net)	3	301.26	340.70	161.22
e) Other Non current Assets				
Total Non current Assets		2,702.16	2,817.36	1,564.44
(2) Current assets				
(a) Inventories	4	297.21	282.86	215.85
(b) Financial assets				
(i) Trade receivables	5	6,384.58	6,431.78	4,153.23
(ii) Cash and cash equivalent	6	577.78	241.77	212.96
(iii) Bank Balance other than (ii) above			-	
(iv) Other financial assets	7	1,043.71	1,078.72	797.30
c) Other current assets	8	1,360.03	1,199.98	641.91
Total Current Assets		9,663.31	9,235.10	6,021.24
Total Assets		12,365.47	12,052.46	7,585.68
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share Capital	9	1,014.41	1,014.41	869.49
b) Other Equity	9	4,075.71	3,462.66	2,567.55
		5,090.11	4,477.07	3,437.04
LIABILITIES				
1) Non-current liabilities				
a) Financial Liabilities				
(i) Borrowings	10	1,450.85	847.31	565.78
(ii) Other Financial Liabilities	11	409.27	488.10	0.00
b) Provisions	12	93.59	108.30	0.00
Total Non current Liabilities		1,953.71	1,443.71	565.78
2) Current liabilities				
a) Financial Liabilities				
i) Borrowings	13	2,992.43	3,931.81	1,850.44
ii) Trade payables	14	402.11	390.37	185.32
iii) Other financial liabilities	15	337.58	162.27	162.90
b) Other current liabilities	16	1,512.75	1,562.45	1,326.49
c) Provisions	17	76.79	84.78	57.71
Total Current Liabilities		5,321.64	6,131.68	3,582.87
Total Liabilities		12,365.47	12,052.46	7,585.68

Notes on Accounts & Significant accounting policies 1

NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED

Sd/-
Mr. R. Srinivasu
Partner
M.No:224033
UDIN:21224033AAAANR6353

Sd/-
Mr. Srikanth Kodali
Director
DIN:02464623

Sd/-
Mr. Brendon Thomas Pereira
Chief Financial officer

Sd/-
Mrs. Kanti Kiran Doddapaneni
Director
DIN 07420023

Sd/-
Ms. Amreen Gulnaaz
Company Secretary
M.No ACS47889

Date:12.06.2021
Place: Hyderabad

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

PARTICULARS	Notes	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
Income			
Revenue from operations	18	21,303.86	21,339.27
Total Revenue from operations		21,303.86	21,339.27
Other income	19	38.44	28.37
Total Income		21,342.30	21,367.64
Expenses			
Cost of materials consumed	20	383.20	445.72
Employee benefits expense	21	18,712.73	18,498.71
Finance costs	22	519.66	443.50
Depreciation and amortization expense	2	357.02	256.71
Other expenses	23	554.97	669.44
Total Expenses		20,527.58	20,314.07
Profit before tax		814.72	1,053.57
Tax expense			
(1) Current tax		157.94	160.96
(2) Deferred tax		14.99	-171.41
Net Profit for the Period		641.79	1,064.02
Other comprehensive income (OCI)			
(a) (i) Items that will not be reclassified to profit or loss		97.15	-32.06
(ii) Tax on items that will not be reclassified to profit or loss		-24.45	8.07
(b)(i) Items that will be reclassified to profit or loss			-
(ii) Income tax relating to items that will be reclassified to profit or loss			-
Total Other Comprehensive income		72.69	-23.99
Total Comprehensive income		714.48	1,040.03
Earnings per share			
Basic earnings per share of ₹ 10/-each		6.33	10.49
Diluted earnings per share of ₹ 10/- each		6.33	10.49

Notes on Accounts & Significant accounting policies 1

NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060

Sd/-
Mr. R. Srinivasu
Partner
M.No:224033
UDIN:21224033AAAANR6353

Date:12.06.2021
Place: Hyderabad

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED

Sd/-
Mr. Srikanth Kodali
Director
DIN:02464623

Sd/-
Mr. Brendon Thomas Pereira
Chief Financial officer

Sd/-
Mrs. Kanti Kiran Doddapaneni
Director
DIN 07420023

Sd/-
Ms. Amreen Gulnaaz
Company Secretary
M.No ACS47889

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

Particulars	As at 31.03.2021 Audited	As at 31.03.2020 Audited
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	814.72	1,053.57
Adjusted for :		
Interest debited to P&L A/c	519.66	443.50
Gratuity Provision	76.78	135.99
Profit on Sale Fixed Assets	-	-1.08
Depreciation	357.02	256.71
Operating profits before working capital changes	1,768.18	1,888.69
Changes in current assets and liabilities		
Inventories	-14.35	-67.01
Sundry debtors	47.21	-2,278.56
Other current financial and current assets	358.55	-589.48
Sundry Creditors	11.74	152.71
Other Current Liabilities and current financial liabilities	70.82	234.39
Other Short Term Provisions/Long term Provisions	-99.50	-0.62
Cash generated from operations	2,142.65	-659.87
Income tax paid	-641.53	-410.97
Net cash generated from operating activities	1,501.11	-1,070.84
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in capital wip	-285.90	-757.44
Sale of Fixed Assets	4.65	3.79
Net cash used in investing activities	-281.26	-753.66
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Secured and Unsecured Loans		
Proceeds/(Repayment) of Long Term Borrowings	676.65	215.43
Proceeds/(Repayment) of short Term Borrowings from other than banks	-	-150.00
Interest paid	-519.66	-443.50
Dividend Paid	-101.44	-
Net cash generated in financing activities	55.55	-378.06
D. Net increase / (decrease) in cash and cash equivalents	1,275.40	-2,202.56
E. Cash and cash equivalents at the beginning of the year	-3,690.05	-1,487.49
F. Cash and cash equivalents at the end of the year	-2,414.64	-3,690.05

Notes:

Cash and Cash equivalents includes:

Particulars	As at 31.03.2021	As at 31.03.2020
Cash on hand	35.09	7.33
Cash Equivalents		
Current accounts	247.28	145.76
Deposit accounts	158.00	10.00
Deposits against Bank Guarantee	137.41	78.67
Short Term Borrowings from banks	(2,992.43)	(3,931.81)
	(2,414.65)	(3,690.05)

NSVR and Associates LLP

Chartered Accountants
Fr No.008801S/S200060

Sd/-

Mr. R. Srinivasu

Partner

M.No:224033

UDIN:21224033AAAANR6353

Date:12.06.2021

Place: Hyderabad

On Behalf of the Board

KAPSTON FACILITIES MANAGEMENT LIMITED

Sd/-

Mr. Srikanth Kodali

Director

DIN:02464623

Sd/-

Mr. Brendon Thomas Pereira

Chief Financial officer

Sd/-

Mrs. Kanti Kiran Doddapaneni

Director

DIN 07420023

Sd/-

Ms. Amreen Gulnaaz

Company Secretary

M.No ACS47889

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

Kapston Facilities Management Limited (“the Company”) (CIN: L15400TG2009PLC062658) is engaged in the business of rendering security and related services, training and facility management, Housekeeping and cleaning services. The Company has added staffing and activities related to staffing to its object clause in the memorandum of association (MOA) by amending the MOA during the financial year ended March 31, 2021. The company has registered office at Hyderabad and provides services in major cities all over India. The Equity Shares of the company were listed on NSE Emerge an SME Platform of National Stock Exchange of India Limited.

On May 27, 2020 the equity shares of the Company were migrated and admitted to dealing on the Main Board of National Stock exchange of India Limited.

1.2 Basis of preparation and presentation of Financial Statements

The financial statements of **Kapston Facilities Management Limited** have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2020, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

These are the company’s first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – ‘First Time Adoption of Indian Accounting Standards’. An explanation of how the transition to Ind AS has

affected the reported financial position, financial performance and cash flows of the Company are provided in Note number 24 “First Time Adoption”.

The Financial Statements for the year ended 31st March, 2020 and the opening Balance sheet as at 1st April, 2019 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from previous GAAP to Ind AS on the Company’s Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in notes.

1.3 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are

observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

1.4 Use of estimates and judgments.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

a. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

b. Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

c. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information.

1.5 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

1.6 Current and non-current classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

1.7 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

1.8 Property Plant & Equipment

Recognition and measurement

Item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Items of property, plant and equipment ('PPE') are initially recognized at cost. Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and costs directly attributable towards bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and

loss in the year during which such expenses are incurred.

Depreciation:

The Company depreciates property, plant and equipment over the estimated useful lives using the written down value method from the date, the assets are available for use.

S NO	Name of the Bank
Category	Useful Life
Mobiles	5 Years
Office Equipment	5 Years
Printers	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Inverters	5 Years
Vehicles	8 Years
Plant and Machinery	5 Years
Live Stock	8 Years
Lease Hold Improvement	5 Years

Investment Property:

Investment property is property (land or a building—or part of a building—or both) held to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business.

Recognition and measurement:

An investment property shall be recognised as an asset when and only when:

- (a) It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- (b) The cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The company adopted cost model prescribed in IND AS 16 for accounting its investment property.

Cost Model:

After recognition as an asset, an item of investment property shall be carried at its cost less any

accumulated depreciation and any accumulated impairment losses.

Depreciation:

Depreciation on items of Investment Property is provided on written down value basis, computed on the basis of useful lives mentioned in Schedule II to the Companies Act, 2013.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

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

The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Buildings	30
Land	NA

1.9 Intangible assets

Acquired computer software and Trade Marks is capitalised on the basis of the costs incurred to acquire and bring to use. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a written down value basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

1.10 Financial Instruments

a financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to

the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

(i) Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that

are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.11 Inventories

Inventories consist of materials used in service and Consumables are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition..

1.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31st March.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not

reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

1.13 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

1.14 Employee Benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

c. Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the

defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

d. Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

e. Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

1.15 Provisions, contingent liabilities and contingent assets

a. Provisions

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

b. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

c. Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.16 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts recognised as revenue are net off trade allowances, discounts, rebates, deductions by customers, goods and services tax, other applicable taxes and amounts collected on behalf of third parties.

At the inception of the new contractual arrangement with the customer, the Company identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer.

Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts. Revenue is recognized in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Revenue is recognized as follows:

- (i) Revenue from services represents the amounts receivable for services rendered.
- (ii) For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognized in the period in which the service is rendered.
- (iii) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
- (iv) Unearned revenue (contract liabilities) represents revenue billed but for which services have not yet been performed and is included under Advances from customers. The same is released to the statement of profit and loss as and when the services are rendered.

a. Rendering of Services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

b. Other Income

(i) Miscellaneous Income

Miscellaneous Income includes other non operating income these are recognized as and when accrued.

1.17 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing

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

1.18 Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. For any new contracts entered into or changed on or after April 1, 2019, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- (i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- (ii) the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- (iii) The Company has the right to direct the use of the identified asset throughout the period of use. the Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets using the written down value method from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances

Extension and termination options are included in a number of leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straightline basis over the lease term.

1.19 Tax Expenses

Tax expense consists of current and deferred tax.

a. Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b. Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1.20 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted

earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.21 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.22 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.23 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

a. Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b. Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks

acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the “relief of royalty method”). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

c. Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

d. Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

e. Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the

difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

f. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company’s borrowings that have floating rates of interest, their fair value approximates carrying values.

1.24 Segment Reporting:-

The Managing Director of the company has been identified as being the Chief Operating Decision Maker (CODM). In the opinion of the management, the company operates in only one segment i.e. Providing Manpower services . Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 “Operating segments” is not applicable.

1.25 Global Health Pandemic on COVID-19

The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including, lockdowns, and restrictions on movement of people and goods across different geographies.

There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 pandemic on the Company. Based

on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of assets and liabilities is minimal. The ongoing COVID-19 situation may result in some changes in the overall economic and market conditions, which may intern have an impact on the operations of the Company.

1.26 “Code on Security, 2020”:-

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident

Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NSVR and Associates LLP

Chartered Accountants
Fr No.008801S/S200060

Sd/-

Mr. R. Srinivasu

Partner

M.No:224033

UDIN:21224033AAAANR6353

Date:12.06.2021

Place: Hyderabad

On Behalf of the Board

KAPSTON FACILITIES MANAGEMENT LIMITED

Sd/-

Mr. Srikanth Kodali

Director

DIN:02464623

Sd/-

Mr. Brendon Thomas Pereira

Chief Financial officer

Sd/-

Mrs. Kanti Kiran Doddapaneni

Director

DIN 07420023

Sd/-

Ms. Amreen Gulnaaz

Company Secretary

M.No ACS47889

Note - 2

Property, Plant and Equipment

Amount In Lakhs

Description	Office Equipments	Computers	Mobiles	Furniture and Fixtures	Printers	inverters	Plant and Machinery	Vehicles	Live stock	Lease Hold Improvements	Right of Use Asset	Total
Gross carrying amount (Cost or deemed Cost)												
Cost as at 1 st April 2020	223.37	102.12	29.48	250.39	6.49	8.21	1.96	625.06	0.76	350.11	523.08	2,121.03
Additions	32.74	16.50	19.89	17.50	0.23			47.65	0.20	144.65		279.36
Disposals										4.65		4.65
Cost as at 31st Mar, 2021	256.11	118.62	49.37	267.90	6.71	8.21	1.96	672.71	0.96	490.11	523.08	2,395.75
Accumulated Depreciation	102.85	70.01	16.56	39.53	2.41	7.07	1.34	442.01	0.51	24.75	52.31	759.35
Charge for the year	60.46	23.74	8.96	55.61	1.85	0.36	0.28	61.28	0.10	39.76	104.62	357.02
Disposals												
As at 31st Mar, 2021	163.31	93.75	25.52	95.15	4.26	7.43	1.62	503.29	0.61	64.51	156.92	1,116.37
Net Carrying Value												
As at 31 st March, 2020	120.52	32.11	12.92	210.86	4.08	1.15	0.63	183.05	0.25	325.36	470.77	1,361.68
As at 31 st March, 2021	92.80	24.87	23.85	172.75	2.46	0.79	0.34	169.42	0.34	425.60	366.16	1,279.37

Note No 2(a)- Investment Property

Description	Land
Gross carrying amount (Cost or deemed Cost)	
Cost as at 1 st April 2020	1,114.98
Additions	6.54
Disposals	
Cost as at 31st Mar, 2021	1,121.52
Accumulated Depreciation	
Charge for the year	
Disposals	
As at 31st Mar, 2021	
Net Carrying Value	
As at 31 st March, 2020	1,114.98
As at 31 st March, 2021	1,121.52

NOTES ON ACCOUNTS

Note No.3 Deferred Tax Assets (net)

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Deferred Tax Assets (net)	301.26	340.70	161.22
Total	301.26	340.70	161.22

Note No.4 Inventories

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Closing Stock	297.21	282.86	215.85
Total	297.21	282.86	215.85

Note No.5 Trade Receivables

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Unsecured, Considered Good			
Outstanding for a period exceeding six months from due date	-	-	17.73
Others	6,384.58	6,431.78	4,135.49
Total	6,384.58	6,431.78	4,153.23

Note No.6 Cash and Cash Equivalents

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Cash on hand	35.09	7.33	6.26
Balances with banks in			
- Current accounts	247.28	145.76	135.71
- Deposit accounts	158.00	10.00	0.00
- Deposits against Bank Guarantee	137.41	78.67	70.99
Total	577.78	241.77	212.96

Note No.7 Other Financial Assets

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Rental and other deposits	211.78	164.14	64.46
Receivables for training projects	831.93	914.58	732.84
Total	1,043.71	1,078.72	797.30

Note No. 8 Other Current Assets

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Loans to employees	814.08	742.08	551.31
Advance to Suppliers	54.67	45.59	6.86
Balances with Govt Authorities- TDS Receivable	463.57	364.19	60.15
Prepaid Expenses	22.19	44.62	13.36
TDS Recoverable On Financial Charges	1.83	2.08	2.66
Other Advances	3.70	1.42	7.57
Total	1,360.03	1,199.98	641.91

Note No 9**A. Equity Share Capital**

In Lakhs

Particulars	Amount
As at April 1, 2019	869.49
Add: Issue of Bonus shares	144.92
As At 31.03.2020	1,014.41
Add: Issue of Bonus shares	-
As at 31.03.2021	1,014.41

Note No 9**B. Other equity**

In Lakhs

Particulars	Equity Component of Compound financial Instruments	Reserves and Surplus					Other Reserves (OCI)		TOTAL
		Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Share Options Outstanding Account	Capital Reserve	
Balance at 31 March 2019 (GAAP)		900.72				1,704.37		0.00	2,605.09
IND AS adjustments									
Impact on account of Deferred taxes						(37.22)			(37.22)
Impact on account of Processing charges						(0.32)			(0.32)
Balance as at 01st April 2019	900.72					1,666.83			2,567.55
Profit for the Period 01.04.2019 to 31.03.2020 (GAAP)	-	-	-	-	-	1,019.76	-	-	1,019.76
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Bonus shares issued		(144.92)							(144.92)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-

B. Other equity

In Lakhs

Particulars	Equity Component of Compound financial Instruments	Reserves and Surplus						Other Reserves (OCI)			TOTAL
		Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Share Options Outstanding Account	Capital Reserve	Actural gain/Loss on account of Defined benefit plans	Foreign currency translation reserve	
Amount transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2020 (GAAP)	-	755.81	-	-	-	2,686.59	-	-	0.00	-	3,442.39
IND AS Adjstments											
Impact on account of deferred taxes						38.03					38.03
Impact on account of processing charges						(0.42)					(0.42)
Impact on account of Interset on Lease						(28.02)					(28.02)
Impact on account of Depreciation on Lease						(52.31)					(52.31)
Impact on account of Rent paid to be reduced from the lease laibility						63.00					63.00
Balance at 31st March 2020 (GAAP)	-	755.81	-	-	-	2,706.86	-	-	-	-	3,462.66
Restatements											
Profit for the Period 01.04.2020 to 31.3.2021	-	-	-	-	-	641.79	-	-	-	-	641.79
Other Comprehensive income	-	-	-	-	-	-	-	-	-	-	-

B. Other equity

In Lakhs

Particulars	Equity Component of Compound financial Instruments	Reserves and Surplus						Other Reserves (OCI)			TOTAL
		Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Share Options Outstanding Account	Capital Reserve	Actual gain/Loss on account of Defined benefit plans	Foreign currency translation reserve	
Dividend paid	-	-	-	-	-	(101.44)	-	-	-	-	(101.44)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-
Amount transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	-	-	72.69	-	72.69
Balance at 31st March 2021	-	755.81	-	-	-	540.35	-	-	72.69	-	4,075.71

9 (c)

Details of shareholding more than 5% shares in the company

In Lakhs

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
Mr. Srikanth Kodali	72.04	71.03%	72.04	71.03%
Dr. Chereddi Ramachandra Naidu	6.41	6.32%	6.41	6.32%

Note No 10 Long term borrowings

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
a) Loans from Banks & Financial Institutions			
Secured*	311.99	423.17	562.46
Unsecured**	1,138.86	424.14	3.32
Total	1,450.85	847.31	565.78

Note No 11 Other Financials Liabilities

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Lease Liability	409.27	488.10	
Total	409.27	488.10	0.00

Note No 12 Provisions

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Provision for Gratuity	93.59	108.30	
Total	93.59	108.30	

Note No.13 Short-term borrowings

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
a) Borrowings from Banks & Financial Institutions			
Secured*	2,992.43	3,931.81	1,700.44
b) Loans and Advances from related parties			
Unsecured **			150.00
Total	2,992.43	3,931.81	1,850.44

Note No.14 Trade payables

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Creditors for Material Suppliers	101.89	286.45	100.72
Creditors for Services	270.71	26.15	49.19
Creditors for Capital Goods		52.33	
Creditors for Training Projects	29.51	25.44	35.41
Total	402.11	390.37	185.32

Note No. 15 Other financial liabilities

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Current maturities of Long term Borrowings	285.96	134.02	133.07
Rent payable	16.23	1.29	
Expenses Payable	3.06	19.60	19.08
Expenses payable of projects	6.20	7.36	10.74
Interest payable	26.14		
Total	337.58	162.27	162.90

Note No.16 Other current liabilities

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Statutory dues payable	513.75	614.77	635.65
Salaries payable	111.78	100.19	70.40
Wages payable	755.26	722.40	581.63
Advance Received for Traing Projects	131.96	125.09	38.82
Total	1,512.75	1,562.45	1,326.49

Note No.17 Provisions

In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Provision for Gratuity	76.79	84.78	57.71
Total	76.79	84.78	57.71

Note: 18 Revenue from operations

In Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Sale of services		
(a) House Keeping	8,665.63	9,499.74
(b) Security Service Charges	11,912.47	11,468.03
(c) Contract Staffing Income	419.61	
(d) Grants Received from Ministry of Rural Development and Government of India for DDU - GKY skill Projects	135.40	371.51
(e) Unbilled Revenue	170.75	
Total	21,303.86	21,339.27

Note: 19 Other Income

In Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest Received	13.78	6.34
Misc Income	5.65	0.95
Profit on Sale of Fixed Assets	-	1.08
Grant Deferred Income	19.01	20.00
Total	38.44	28.37

Note: 20 Cost of Materials consumed

In Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Opening Stock	282.86	215.85
Purchases	397.55	512.73
Closing Stock	297.21	282.86
Cost of Materials consumed	383.20	445.72

Note: 21 Employee Benefits

In Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Wages	15,744.42	15,402.68
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	135.40	371.51
Salaries	968.18	878.46
Directors Remuneration	87.00	135.00
Other Employee Benefits	1,777.74	1,711.06
Total	18,712.73	18,498.71

Note: 22 Finance cost

In Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest on Vehicle loans and other Term loans	106.69	39.89
Interest on Bank O/D	235.03	285.72
Bank Charges	34.79	34.16
Bills Discounted charges	92.84	55.70
Interest on Business Loans	-	-
Interest On lease	50.32	28.02
Total	519.66	443.50

Note: 23 Other Expenses

In Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Advertisement Charges	5.72	9.04
Professional Fees	3.00	4.35
Internal Audit Fees	2.00	2.00
Business Promotion Expenses	18.93	47.71
Consultancy Charges	60.47	52.48
Conveyance	32.99	26.48
Electricity Charges	20.95	13.66
Donation	19.73	33.77
CSR Expenses	27.20	5.40
Bad Debts	-	32.64
Insurance	19.70	24.03
Rates and Taxes	66.07	99.98
Office Maintenance	38.65	42.58
Postage and Telegram	1.42	1.70
Printing and Stationery	13.27	29.87
Rent	62.12	70.85
Internet Charges	6.90	4.89
Telephone Charges	17.31	22.69
Travelling Expenses	21.99	22.85
Computer Maintenance	4.34	2.48
Vehicle Maintenance	45.72	39.28
NSDC Expenditure	29.90	61.22
Kennels (Dog Training Exp)	11.19	14.49
Recruitment expenses	5.68	-
Other expenses	14.70	-
Audit Fees		
Statutory Audit	3.00	3.00
Tax Audit	2.00	2.00
Total	554.97	669.44

24 First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2021, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2020, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2021, together with the comparative period data as at and for the year ended 31st March 2020, as described in the summary

of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2019 and the financial statements as at and for the year ended 31st March 2020.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company has not elected to measure any item of property, plant and equipment at its fair value at the transition date, the net carrying value of the property, plant and equipment, intangible assets and Investment property shall be considered as deemed cost for Ind AS purposes.

Estimates

The estimates at 1 April, 2019 and at 31 March, 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

FVTPL – Quoted Mutual Funds, Bonds, Debentures etc.,

FVTOCI – Equity Instruments

The estimates used by the Company to present these amounts in accordance with Ind As reflect conditions at 1 April, 2019, the date of transition to Ind As and as of 31 March, 2021.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind As:

Reconciliation between Equity as per Ind GAAP and Ind AS

Particulars	As on 31/03/2020	As on 01/04/2019
Equity as per Previous GAAP	4,494.33	3,474.58
Impact on account of deferred taxes	0.80	-37.22
Impact on account of processing charges	-0.74	-0.32
Impact on account of Interest on Lease	-28.02	-
Impact on account of Depreciation on Lease	-52.31	-
Impact on account of Rent paid to be reduced from the lease liability	63.00	-
Equity as per INDAS	4,477.06	3,437.034

Reconciliation between financial results as previously reported under Previous GAAP and Ind As for the year ended

Particulars	As on 31/03/2020	As on 01/04/2019
Net profit under previous GAAP	1,019.76	855.74
Impact on account of deferred taxes	38.03	-37.22
Impact on account of processing charges	-0.42	-0.32
Impact on account of Interest on Lease	-28.02	-
Impact on account of Depreciation on Lease	-52.31	-
Impact on account of Rent paid to be reduced from the lease liability	63.00	-
Net profit for under Ind AS	1,040.03	818.20

FVTPL Financial assets

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investments measured at cost less provision for diminution other than temporary diminution in the value of investments, if any. Under Ind As, the Company has designated such investments as FVTPL investments. Ind As requires FVTPL investments to be measured at fair value. At the date of transition to Ind As, difference between the instruments fair value and Indian GAAP carrying amount has been recognized as a separate component of equity, in the retained earnings.

Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

25. Auditors Remuneration

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Audit Fee	3.00	3.00
b) Other charges		
Taxation matters	2.00	2.00
Other matters		
c) Reimbursement of out of pocket expenses	-	-
Total	5.00	5.00

26 Earnings per Share

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Earnings	641.78	1,064.02
Profit attributable to equity holders		
Shares	101.44	101.44
Number of shares at the beginning of the year	-	-
Add: Equity shares issued	-	-
Less: Buy back of equity shares	101.44	101.44
Total number of equity shares outstanding at the end of the year	101.44	101.44
Weighted average number of equity shares outstanding during the year – Basic	-	-
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	101.44	101.44
Weighted average number of equity shares outstanding during the year – Diluted	6.33	10.49
Earnings per share of par value ₹ 10/- – Basic (Rs)	6.33	10.49
Earnings per share of par value ₹ 10/- – Diluted (Rs)		5.00

27 Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

Sr. No.	Name of the Related Party	Relationship
1	Dr. Chereddi Ramachandra Naidu	Chairman
2	Mr. Srikanth Kodali	Managing Director
3	Mr. Naveen Nandigam	Independent Director
4	Mrs. Vanitha Nagulavari	Independent Director
5	Mrs. Doddapaneni Kanti Kiran	Director
6	Mr. Brendon Thomas Pereira	CFO – KMP
7	Mr. Nageswara Rao Koripalli	Independent Director
8	Ms. Amreen Gulnaaz	Company Secretary

The following is a summary of significant related party transactions:

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Key Managerial Personnel		
Remuneration		
Dr. Chereddi Ramachandra Naidu	11.03	15.00
Mr. Srikanth Kodali	87.00	120.00
Mr. Brendon Thomas Pereira	8.50	12.00
Ms. Amreen Gulnaz	4.90	5.40
Mrs. Doddapaneni Kanti Kiran	-	-
Sitting Fees		
Mr. Naveen Nandigam	2.00	1.50
Mrs. Vanitha Nagulavari	2.00	2.00
Mr. Nageswara Rao Koripalli	2.00	-
Professional charges for Advisory services		
Mr. Nageswara Rao Koripalli	1.00	-

Amount Outstanding :

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Key Managerial Personnel		
Remuneration		
Dr. Chereddi Ramachandra Naidu	1.04	1.04
Mr. Srikanth Kodali	1.21	4.93
Mr. Brendon Thomas Pereira	0.97	0.94
Ms. Amreen Gulnaz	0.44	0.44
Mrs. Doddapaneni Kanti Kiran	-	-
Sitting Fees		
Mr. Naveen Nandigam	-	-
Mrs. Vanitha Nagulavari	-	-
Mr. Nageswara Rao Koripalli	-	-
Professional charges for Advisory services		
Mr. Nageswara Rao Koripalli	-	-

28 Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of Material	Nil	Nil
Professional Fees	Nil	Nil
Other expenses	Nil	Nil
Total	Nil	Nil

Earnings in Foreign currency:

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
FOB Value of Exports	Nil	Nil
Dividend	Nil	Nil
Total	Nil	Nil

29 Segment Reporting:

The Company concluded that there is only one operating segment i.e., Manpower Services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

30 Employee benefits:

Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation.

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2021 consist of the following:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	61.29	98.90
Past Service Cost	-	-
Interest cost on net defined benefit liability/(asset)	13.15	4.41
Remeasurements - Due to Financial Assumptions (OCI)	(0.26)	2.48
Remeasurements - Due to Experience Adjustments (OCI)	(96.89)	29.58
Total Remeasurements in OCI	(97.15)	32.06
Total defined benefit cost recognised in OCI & Profit and Loss account	(22.71)	135.37

Details of the employee benefits obligations and plan assets are provided below:-

Particulars	As of 31st March 2021	As of 31st March 2020
Present value of funded obligations	170.38	193.08
Fair value of plan assets	-	-
Net defined benefit liability/(asset)	170.38	193.08

Details of changes in the present value of defined benefit obligations are as follows:

Particulars	As of 31st March 2021	As of 31st March 2020
Defined benefit obligations at the beginning of the year	193.09	57.71
Current service cost	61.29	98.90
Interest cost on defined obligations	13.15	4.41
Prior Service Cost- Vested Benefits	-	-
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	(0.26)	2.48
Actuarial loss/(gain) due to demographic assumptions	-	-
Actuarial loss/(gain) due to experience changes	(96.89)	29.58
Benefits paid	-	-
Defined benefit obligations at the end of the year	170.38	193.08

Details of changes in the fair value of plan assets are as follows:

Particulars	As of 31st March 2021	As of 31st March 2020
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	-	-
Actuarial loss/(gain) on plan assets	-	-
Re-measurements due to:	-	-
Return on plan assets excluding interest on plan assets	-	-
Benefits paid	-	-
Plan assets at the end of the year	-	-

Summary of Actuarial Assumptions:

The actuarial assumptions used in accounting for the Gratuity Plan are as follows:

The assumptions used to determine benefit obligations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.91%	6.81%
Rate of compensation increase	5 %	5%

Provident fund benefits

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

31 Income Taxes:

a. Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current Taxes Expense	157.94	160.96
Deferred Taxes Expense	14.99	(171.41)
Deferred Taxes Expense/(benefit)	-	-
Deferred Taxes Benefit	-	-
Total Income Tax Expense/(Benefit) Recognized in the Statement of Profit and Loss	172.93	(10.45)

b. Reconciliation of Effective Tax Rate:

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit Before Income Taxes	814.72	1,053.57
Enacted Tax Rate in India	25.17%	25.17%
Computed Expected Tax Benefit/(Expense)	205.05	265.16
Tax Effect of:		
Expenses not deductible for tax purposes	190.13	271.77
Expenses deductible for tax purposes	237.24	167.57
Others	-	-
Income Tax Benefit/(Expense)	157.94	160.96
Effective Tax Rate	19.39%	15.30%

c. Deferred Tax Assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

₹ in Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2019
Property Plant and Equipment	81.21	62.14	47.77
Deduction in respect of certain benefits under Income tax act, 1961	187.86	282.81	114.2
Defined Benefit Obligations	42.88	-	-
Others	-10.69	-4.25	-0.75
Deferred tax asset	301.26	340.7	161.22

32 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

Trade Receivables-

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

b. Liquidity Risks:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, shareholder equity, and finance leases..

The below table summarises company's long-term debt that will mature in less than one year based on the carrying value of borrowings reflected in the financial statements.

₹ in Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Company's Long term debt	1,736.81	981.33
Company long term debt that will mature in less than one year from the reporting period	285.96	134.02
	16.46%	13.66%

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As on 31.03.2021

₹ in Lakhs

Particulars	On Demand	1 to 5 years	Morethan 5 Years	Total
Long Term Borrowings	285.66	1,450.85	-	1,736.51
Other Financial Liabilities	51.62	409.27	-	460.89
Short Term Borrowings	2,992.43	-	-	2,992.43
Trade payables	402.11	-	-	402.11
Other current liabilities	1,512.75	-	-	1,512.75
Provisions	170.37	-	-	170.37

As on 31.03.2020

₹ in Lakhs

Particulars	On Demand	1 to 5 years	Morethan 5 Years	Total
Long Term Borrowings	134.0201	847.31	-	981.33
Other Financial Liabilities	28.25	-	-	28.25
Short Term Borrowings	3,931.81	-	-	3,931.81
Trade payables	390.37	-	-	390.37
Other current liabilities	1,562.45	-	-	1,562.45
Provisions	84.78	108.30	-	193.09

The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and significant portion of short-term debt maturing within 12 months can be rolled over with existing lenders. The Company believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations

c. Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

33 Capital Management:

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

₹ in Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Total Debt	4,729.24	5,568.12
Total Equity	5,090.10	4,477.07
Debt to Equity ratio	0.93:1	1.24:1

34 Financial Instruments:

₹ in Lakhs

Particulars	Carrying Value			Fair value		
	Mar'21	Mar'20	Apr'19	Mar'21	Mar'20	Apr'19
Trade Receivable	6,384.58	6,431.78	4,153.23	6,384.58	6,431.78	4,153.23
Cash and cash equivalents	577.78	241.77	212.96	577.78	241.77	212.96
Other Financial Assets	1,043.71	1,078.72	797.30	1,043.71	1,078.72	797.30
Total	8,006.07	7,752.27	5,163.49	8,006.07	7,752.27	5,163.49
Borrowings	4,729.24	4913.14	2,549.30	4,729.24	4913.14	2,549.30
Trade payables	402.11	390.37	185.32	402.11	390.37	185.32
Other financial liabilities	746.85	650.37	162.91	746.85	650.37	162.91
Total	5,878.20	5953.88	2,897.53	5,878.20	5953.88	2,897.53

35 Corporate Social Responsibility Expenses:

The CSR expenditure comprise of the following

- Gross Expenditure required to be spent during the Financial year 2020-21 is Rs.18.26 lakhs and Rs 8.94 lakhs of Previous Financial Year 2019-20.
- Amount spent during the year on

₹ in Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Contribution to Prime Minister's National relief fund and to the state of Telangana under Disaster Management Act	20.00	-
Swayam Seva Abhiru (Promoting digital education)	5.00	-
Swach Bharat Kosh (Preventing Health care including preventive health care)	2.20	-
Swach Bharat		5.40

35: Contingent Liabilities :

The Following are the details of Contingent Liabilities

₹ in Lakhs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Contingent Liabilities		
a. Claims against the Company/disputed liabilities Not acknowledged as debts	-	-
b. Guarantees		
Bank Guranatees	137.41	78.67

NSVR and Associates LLP

Chartered Accountants
Fr No.008801S/S200060

Sd/-

Mr. R. Srinivasu

Partner

M.No:224033

UDIN:21224033AAAANR6353

Date:12.06.2021

Place: Hyderabad

On Behalf of the Board

KAPSTON FACILITIES MANAGEMENT LIMITED

Sd/-

Mr. Srikanth Kodali

Director

DIN:02464623

Sd/-

Mr. Brendon Thomas Pereira

Chief Financial officer

Sd/-

Mrs. Kanti Kiran Doddapaneni

Director

DIN 07420023

Sd/-

Ms. Amreen Gulnaaz

Company Secretary

M.No ACS47889

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting (AGM) of the shareholders of the Company will be held on September 18, 2021 at 11:00 a.m. the Corporate office of the Company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2021 together with the reports of the board of directors ('the Board') and auditors thereon.
2. To appoint a Director in place of Mr. Srikanth Kodali (DIN: 02464623), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

Special Business:

3. Re-appointment of Dr. Ramachandra Naidu Chereddi as Chairman of the company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 196, 197 and 203 of the Companies Act ("Act"), 2013 and all other applicable provisions, if any of the said Act and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) based on the recommendation of Nomination and Remuneration Committee, approval of members is hereby accorded for the appointment of Mr. Ramachandra Naidu Chereddi, as an Executive Chairman of the Company who has attained the age of 70 years for a period of 3 years w.e.f 29th August, 2021 and a consolidated honorary remuneration upto Rs. 15 Lakhs per annum shall be paid during his tenure.

"FURTHER RESOLVED THAT any of the Directors of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary for such appointment."

By order of the Board
For Kapston Facilities Management Limited

Sd/-
Kinkeri Vyshali
Company Secretary and Compliance Officer
M.No.A66392

Place: Hyderabad
Date: August 09, 2021

Registered Office

Kapston Facilities Management Limited
Plot No.287,MIG-2, IX Phase KPHB,
Kukatpally, Hyderabad- 500072.
CIN : L15400TG2009PLC062658
Email: cs@kapstonfm.com
Website:www.kapstonfm.com
Contact Details : +91 96 4050 4050

Notes

1. A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll on behalf of him and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Corporate Office of the Company, duly completed and signed, not less than 48 hours before the commencement of meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and holding in aggregate not more than 10% of the total share capital of the company.

2. In terms of the provisions of section 152 of the Companies Act, 2013, Mr. Srikanth Kodali (DIN: 02464623), Managing Director, retire by rotation at the AGM. Nomination and Remuneration Committee and the Board of Directors of the Company commend his re-appointment.

Details of Mr. Srikanth Kodali (DIN: 02464623), Managing Director retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the "Annexure" to the Notice.

3. Corporate shareholders intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the AGM.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. 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 or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

6. In view of the Covid-19 pandemic, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) through its Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020 and Circular No. 02/2021 dated 13th January, 2021, in this regard the Company has made necessary arrangements for conducting the Annual General Meeting through video conferencing.
7. Notice of the AGM along with the Annual Report 2020-21 is being sent through electronic mode to those Members whose email address are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will

also be available on the Company's website www.kapstonfm.com, website of the Stock Exchange, i.e on National Stock Exchange of India Limited at www.nseindia.com.

For receiving all communication (including Annual Report) from the Company electronically, members are requested to register/update their email addresses with the relevant Depository Participant.

8. Pursuant to section 108 of the Companies Act, 2013, read with rules 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given separately.
9. Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM.
10. Shareholders are requested to intimate, immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts.
12. Pursuant to section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13 to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14, to the Registrar and Transfer Agent of the Company.
13. All documents referred to in the accompanying notice will be available for inspection at the corporate office of the company during business hours on all working days till the date of AGM of the Company.

14. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of name appears as per the Register of Members of the Company will be entitled to vote.
15. Route map to the venue of the AGM is published elsewhere in the Annual Report.

By order of the Board
For Kapston Facilities Management Limited

Sd/-
Kinkeri Vyshali
Company Secretary

Place: Hyderabad
Date: August 09, 2021

Registered Office

Kapston Facilities Management Limited
Plot No.287,MIG-2, IX Phase KPHB,
Kukatpally, Hyderabad- 500072.
CIN : L15400TG2009PLC062658
Email : cs@kapstonfm.com
Website : www.kapstonfm.com
Contact Details : +91 96 4050 4050

Guidelines for Electronic Voting

Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-voting facility to the shareholders to cast their vote on all resolutions set forth in the notice convening the 13th Annual General Meeting (AGM) to be held on September 18, 2021. The Company has engaged the services of Central Depository Service Limited (CDSL) to provide the e-voting facility.

Shareholders of the Company as on the cut-off date September 11, 2021 are entitled to vote on the resolutions set forth in this Notice.

The e-voting period begins on September 15, 2021 9:00 at A.M. and ends on September 17, 2021 at 5:00 P.M. During this period, shareholders of the Company, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date and time mentioned above.

The Company has appointed Mr. D S Rao, Practicing Company Secretary, Hyderabad, to act as the Scrutinizer,

to scrutinize the electronic voting process and poll at the Annual General Meeting (AGM) in fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again.

The facility for voting through ballot paper will be made available at the AGM venue and the shareholders attending the AGM, who have not cast their vote by remote e-voting will be able to exercise their right at the AGM venue through ballot paper. Shareholders who have not cast their vote electronically, by remote e-voting, may only cast their vote at the AGM through ballot paper.

At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman, with the assistance of the scrutinizer, will order voting through ballot paper for all those shareholders who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.

INSTRUCTIONS FOR E-VOTING:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>

Type of shareholders	Login Method
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
--	--

- (i) Login method for e-Voting for shareholders other than individuals holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) 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.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Shareholders other than individual shareholders holding shares in Demat.
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"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	<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"> 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.

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) shareholders 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.
- (iv) Click on the EVSN for “Kapston Facilities Management Limited” on which you choose to vote.
- (v) 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.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) 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.
- (xi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; raods7@gmail.com and cs@kapstonfm.com respectively (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 e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

General Instructions:

- The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 11, 2021.
- The Scrutinizer, after scrutinising the votes cast at the meeting through ballot papers during AGM and after taking into consideration the e-voting will,

not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.kapstonfm.com and on the website of Stock Exchange (NSE).

- The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

ADDITIONAL FACILITY TO THE SHAREHOLDERS TO PARTICIPATE THROUGH ELECTRONIC PLATFORM

Considering the present COVID-19 pandemic, the Company is pleased to provide additional platform by enabling shareholders to participate through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") in the Annual General Meeting. The shareholders who wish to participate in the Annual General Meeting through electronic platform shall send the request by email to the Company Secretary of the Company at cs@kapstonfm.com.

The Company Secretary will share the Zoom login details and password, please note the said participation will not be counted for the purpose of quorum.

The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned prescribed, Members who wish to participate through VC/OAVM can send their queries by email to the Company Secretary at cs@kapstonfm.com before , the said queries will be considered and the Chairman will reply the same at the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No.3

The current tenure of Dr. Cherreddi Ramachandra Naidu as Executive Chairman of the Company will be coming to an end on 29th August, 2021. Pursuant to the recommendation of the Nomination and Remuneration Committee, the said appointment was approved by the Board on August 9, 2021 to hold the said office for a period of 3 years w.e.f. 29th August, 2021, on a remuneration and other terms as detailed in the resolution. This appointment needs further approval of the shareholders

under section 196 of the Companies Act, 2013. Dr. Chereddi Ramachandra Naidu has been associated with the company for about 3 years his business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company.

A. General Information:

- 1. Nature of Industry:** The Company is primarily engaged in providing Private Security Services and Facilities Management Services in the southern states of the country.
- 2. Date of commencement of commercial production:** The Company is carrying out its operations since incorporation i.e., January 31, 2009.

- 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

- 4. Financial Performance based on given indicators:**

Particulars	2020-21 (₹ In Lakhs)	2019-20 (₹ In Lakhs)
Turnover	21,342.30	21,367.64
Net Profit	641.79	1,064.02
2019-20	-	-

- 5. Foreign Investments or Collaborators, if any: The Company does not have any foreign Investments.**

B: Information about the appointee:

A	Name	Dr. Chereddi Ramachandra Naidu	Mr. Srikanth Kodali
	Directors Identification Number	02096757	02464623
B	Brief Resume		Superintendent
	i) Age	71 Years (01-02-1950)	47 Years
	ii) Qualification	Retd. IPS MA in Sociology and a Doctorate in Commerce & Management.	Bachelor of Commerce
	iii) Experience (including expertise in specific functional area/Brief Resume)	He joined the Police Services as a Deputy Superintendent of Police in the year 1977 and retired in the year 2007 as Inspector General of Police. He is acting as Director of the Company since 2018	Business, Administration, Security & FM, Industry Knowledge, Risk Management. 19 Years of experience in Security and Facility management 4 years of experience in other field
	iv) Date of initial appointment on the Board of the Company	22.02.2018	Since Incorporation i.e since 31st January, 2009
C	Nature of expertise in specific functional Areas	1. SRIAM LIFE SCIENCES PRIVATE LIMITED 2. CAP WORKFORCE DEVELOPMENT INSTITUTE PRIVATE LIMITED	Nil
D	Name(s) of companies in which committee Membership(s)/ Chairperson held as on date	NIL	Nil
E	Shareholding in the Company	6,41,200 Equity Shares only	7,203,693 Equity Shares only
F	Relationships between other Directors Inter-se	Nil	Mrs. Kanti Kiran Doddapaneni (spouse)

*Company whose status is "Strike off" as per Ministry of Corporate Affairs data those companies are not considered while taking in consideration
 "Names of other companies in which the existing director is acting as Director"

Kapston Facilities Management Limited

CIN: L15400TG2009PLC062658

Registered office: Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana-500072.

Corporate office: Plot No.75,Kavuri Hills, Madhapur, Hyderabad-500034.

E-mail :cs@kapstonfm.com Website : www.kapstonfm.com

Attendance slip for Annual General Meeting (To be surrendered at the venue of the meeting)

I hereby state that I am a registered shareholder/proxy/representative for the registered shareholder(s) of the company. I hereby record my presence at the 13th Annual General Meeting of the company held on Saturday, 18th September, 2021 at 11.00 a.m at Corporate Office of the Company situated at Plot No 75,Kavuri Hills, Madhapur,Hyderabad,Telanga na-500034.

DP ID*	Regd. Folio No.
Client ID*	No. of Shares

*Applicable if shares are held in electronic form.

Name & Address of the Shareholder

Signature of Shareholder/Proxy/
Representative (Please Specify)

Note:

1. Shareholders/proxy holders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature on them.
2. Shareholders are informed that no duplicate attendance slips will be issued at the venue of the meeting.

ROAD MAP TO AGM VENUE FROM JUBILEE HILLS CHECK POST, HYDERABAD



Kapston Facilities Management Limited

CIN: L15400TG2009PLC062658

Registered office: Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana-500072.

Corporate office: Plot No.75, Kavuri Hills, Madhapur, Hyderabad-500034.

E-mail :cs@kapstonfm.com Website : www.kapstonfm.com

Form No.MGT-11

Proxy Form

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

CIN	L15400TG2009PLC062658
Name of the Company	Kapston Facilities Management Limited
Registered Office	Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana-500072.
Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No./Client ID	DP ID

I / We, holding _____ shares of **Kapston Facilities Management Limited**, hereby appoint

1. Name: _____
Address: _____
Email Id: _____
Signature: _____ falling him/her
2. Name: _____
Address: _____
Email Id: _____
Signature: _____ falling him/her
3. Name: _____
Address: _____
Email Id: _____
Signature: _____ falling him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 13th AGM of the company to be held on Saturday, September 18, 2021 at 11.00 a.m at the venue of AGM i.e Corporate office: Plot No.75, Kavuri Hills, Madhapur, Hyderabad-500034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Vote (optional see note2) (please mention no of shares	
		For	Against
	Ordinary Business		
1	To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2021 together with the reports of the board of directors ('the Board') and auditors thereon.		
2	To appoint a Director in place of Mr. Kodali Srikanth (DIN: 02464623), who retires by rotation and being eligible, offers himself for re-appointment as a Director.		
	Special Business		
3	Re-appointment of Dr. Ramachandra Naidu Cherreddi as Chairman of the company.		

Affix
Revenue
Stamp

Signed this day of 2021

Signature of the shareholder: _____

Signature of Proxy holder(s): _____

Note:

1. This form in order to be effective should be duly completed and deposited at the Corporate Office of the company not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

NOTES

NOTES



Kapston Facilities Management Limited

CIN: L15400TC2009PLC062658

Registered office: Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana-500072.

Corporate office: 1-98/9/3/23, Plot No. 12 E, Jai hind Colony, Madhapur, Hyderabad-500081

E-mail :cs@kapstonfm.com Website : www.kapstonfm.com