



**Date: September 01, 2022**

To,  
The Listing Department,  
**National Stock Exchange of India Limited,**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra — Kurla Complex,  
Bandra East, Mumbai — 400051.

**SYMBOL: KAPSTON**

Dear Sir/Madam,

**Subject: Submission of a Copy of Annual Report along with the Notice of Annual General Meeting (AGM) as required under Reg. 34(1) of SEBI (LODR) Regulations, 2015**

We hereby inform you that the 14<sup>th</sup> Annual General Meeting (“AGM”) of the members of the Company will be held on Friday, September 23, 2022, at 03.00. P.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 are herewith enclosing the Annual Report of the Company along with the notice of AGM for the financial year 2021-22, which is being sent to the members of the Company through electronic mode.

The Annual Report including Notice is also uploaded on the Company’s website and can be accessed at <https://www.kapstonfm.com/images/PDF/2022/August2022/AnnualReport21-22.pdf>

Kindly take the above information on record.

Thanking you,  
**For Kapston Services Limited**  
(Formerly known as Kapston Facilities Management Limited)

Kalluru Manaswini  
Company Secretary and Compliance Officer



**KAPSTON SERVICES LIMITED**

(Formerly known as Kapston Facilities Management Limited)

**REGISTERED OFFICE:** # 287, MIG – 2, IX Phase, KPHB, Hyderabad, Telangana - 500 072, **Ph:** 98487 78241  
**CORPORATE OFFICE:** Plot # 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500034, **Ph:** 98487 78243  
**Control Room:** +91 96 4050 4050 (24X7) **Email:** info@kapstonservices.com **Website:** www.kapstonservices.com

*primed for* **PERFORMANCE**  
**DETERMINED** *to deliver*





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## Company Overview

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## Primed for PERFORMANCE. DETERMINED to deliver...

COVID has impacted the entire world for over two-and-a-half years now, altering our very lifestyles and bringing about entirely unforeseen transformations in almost every industrial sector. While they resulted in severe setbacks for many, they also threw up interesting new opportunities for an enterprising few.

Our sector was no exception to this turbulence. But Kapston took it all in its stride with patience, perseverance and planning. Our focus on staffing has paid off and it has grown 10-fold in terms of revenue in the year that has just gone

by. We have thoroughly re-engineered our internal systems and offered new services, which have helped us emerge stronger from the storm. Kapston believes that change is a continuous process and we must make adequate changes to our business model to ensure a leadership position in the Manpower Industry. We sincerely believe that the organization-level adoption of technology is bound to swift our growth to the next level, enabling us to capitalize on emerging opportunities. Adoption of Technology, a process-driven approach is our forte, which helps us cope with the market demand.

We are now primed to benefit from the opportunities in the 'New Normal' that stands before us.

Although many challenges do confront us, we at Kapston shall relentlessly build on our strengths and remain committed to deliver, serve and facilitate. That has been our guiding principle over the last 13 years since our inception.

## Numbers speak

Despite several operational constraints posed by the on-going COVID epidemic and related external turbulences, Kapston has put in an encouraging performance in

### FY 2021-22

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#### Revenue

**₹27,224.96** Lakhs

As against ₹ 21,303.86 Lakhs in FY 21

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#### EBITDA

**₹1,309.83** Lakhs


As against ₹1,691.4 Lakhs in FY 21

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#### PAT

**₹247.34** Lakhs

As against ₹641.78 lakhs in FY 21



## Facilities and services with a difference

Established in 2009, Kapston has captured a niche for itself as one of India's fastest-growing Manpower Solutions Provider Companies, providing a wide range of customer-centric services including General Staffing, IT Staffing, Security, Soft Services, Engineering and Integrated Facilities Management.

Our clientele are drawn from diverse industry segments such as IT / ITES, Manufacturing, Pharma, E-commerce, Logistics, Infrastructure, Automobile, Retail, Telecom, Hospitality, Healthcare, Banking & Finance, PSUs and all industries across.



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## Our Vision

To become the best Service provider for Staffing Solutions, Integrated Facilities Management and Security Services with a focused approach towards customer satisfaction and be a strategic partner to all our clients.

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## Our Mission

To generate consistent value in our services through technology integration innovations and up-gradation with changing times and establish the highest standards of excellence.

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## Our Core Values

Integrity  
Quality  
Process Excellence  
Professionalism  
Competitiveness

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## Our Core Objective

To design a premium policy that is aligned with the needs of the industry and ensuring compliance with the finest mandated standards.

# The 'KAPSTON' Advantage

## Integrated Services Provider

We provide General Staffing, IT Staffing, Security, Soft Services, Engineering and Integrated Facilities Management.

Our clientele are drawn from diverse industry segments: IT / ITES, Manufacturing, Pharma, E-commerce, Logistics, Infrastructure, Automobile, Retail, Telecom, Hospitality, Healthcare, Banking & Finance, PSUs and all industries across.

## Experienced Promoters, Directors, Senior Management

Kapston's promoters have rich experience in all our lines of business.

Our Directors include senior retired officers who guide the management in strategy, implementation and organization development. Our senior management personnel have several years of experience in finance, sales & marketing, recruitment, training and operations.



### Strong Brand Equity

Our track record of delivering seamless quality services has not only enabled us to retain our existing customers of large corporates and MNCs, but has also been regularly drawing new customers into our fold.

### Quality

Our 'Quick Response' teams offer high-quality service to customers through regular interaction, 24/7 mobility, continuous communication and assistance, and provision of customized services by following standard procedures.

Designed to  
meet our customers'  
Manpower needs



## General Staffing

Drawing on our core competence in training and managing human resources, we offer staffing services to provide the finest talent pool for business.

We acquire talent and train people with skill sets and attitude to align with our customers' vision, mission, values and HR strategies across diverse functional areas in multiple industry sectors.

We also offer value-added HR services including payroll management, permanent hiring.



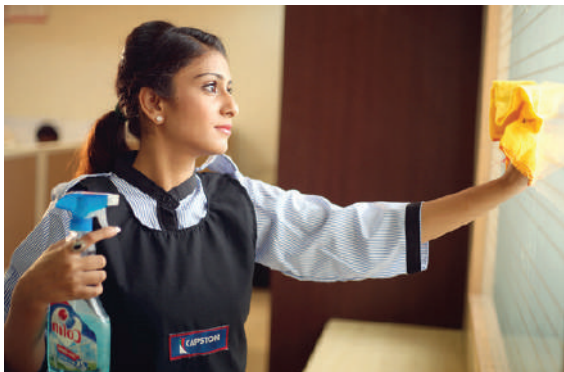
## IT Staffing

Our uncompromising and diligent approach has made our company a much sought-after IT staffing partner. For IT and ITES segments, we offer unmatched support, both in hardware and software by offering impeccable staffing solutions to match their specific needs.



## Security

Our experienced team of security personnel are thoroughly trained in all recognized security protocols in emergency, disaster management, physical fitness and unarmed combat.



## Soft-services

Driven by our motto 'Neatness and Orderliness', we strive to increase productivity at living, work and public places.

We offer housekeeping services for office spaces, public spaces in residential apartments, malls, etc., as well as specialized services in critical industries such as pharmaceutical manufacturing, hospitals and hotels.



## Engineering

Our qualified engineers, plumbers, electricians, masons and carpenters can comprehensively address operational maintenance issues.

## Designed to meet our customers' Manpower needs



### Facade Cleaning

We provide cost-effective automated facade cleaning services as well as traditional facade cleaning procedures customized to our customers' requirements.



### Pest Control

Our experts are widely experienced in rodent and pest control techniques.

We cater to a diverse array of industries including agriculture, hotels, food and beverages, healthcare, apparel, IT and entertainment.

# Profiles of Eminent Board of Directors

## **Dr Chereddi Ramachandra Naidu**

(Executive Chairman) holds a Master's Degree in Sociology and a Doctorate in Commerce and Management. He retired in 2007 as Inspector General of Police in the erstwhile combined Andhra Pradesh State. In his 40-year service in uniform, he acquired wide-ranging expertise in HR management, industrial relations, strategy and project management, and has authored a book titled 'Preventive Powers of Police', published by AP Police Academy.

## **Mr Srikanth Kodali**

(Promoter and Managing Director) is a first-generation entrepreneur and Kapston's founder, and has been managing as an Executive Director. A Commerce Graduate, he has hands-on experience in facilities management, security services, digital designing, printing, construction, marketing, financial management and client retention. As the guiding force in Kapston's rapid growth, he has been instrumental in formulating its business strategy, development and client management.

## **Mr Nageswara Rao Koriipalli**

(Independent Director) retired in 2018 from the Indian Revenue Service as Principal Director of Income Tax (Investigation), Telangana and AP. He has also been a Special Director in the Enforcement Directorate. He holds a Masters' degree in Science and an LLB degree, with over 32 years' experience in administration of Indian Income Tax laws, accountancy, audit, and corporate governance of companies under the (Indian) Companies Act. He is also conversant with Foreign Exchange Regulation Act (FERA), Foreign Exchange Management Act (FEMA), Prevention of Money Laundering Act (PMLA), Prohibition of Benami Properties Act and Black Money Act.

## **Ms Kanti Kiran Doddapaneni**

(Promoter and Non-Executive Director) holds a Bachelor's Degree in Science from Osmania University and a Master's Degree in Arts from University of Hyderabad.

## **Ms Vanitha Nagulavari**

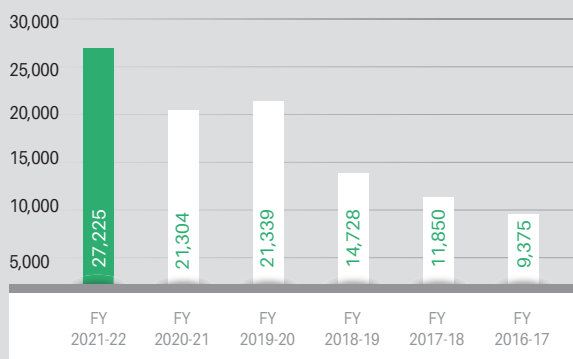
(Independent Director) is a Commerce graduate and an Associate Member of the Institute of Company Secretaries of India (ICSI), with over a decade of experience in legal, secretarial and capital markets.

## **Mr Naveen Nandigam**

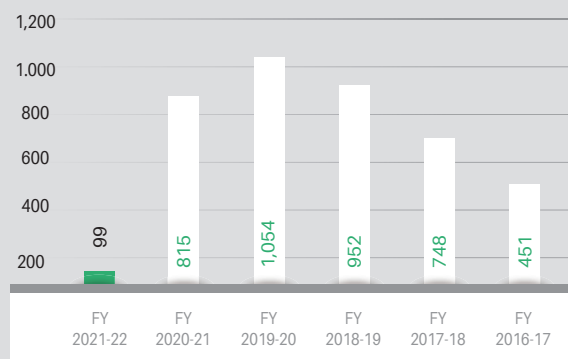
(Independent Director) is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has been in professional practice since 1990, with considerable expertise in financial reporting and management. He has been with Kapston since February 2018.

# Financial Highlights

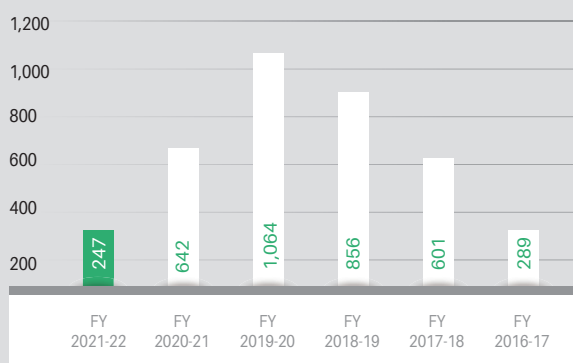
## Revenue from operations (INR in Lakhs)



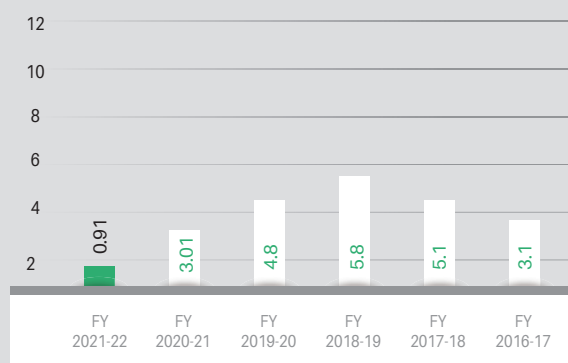
## PBT (INR in Lakhs)



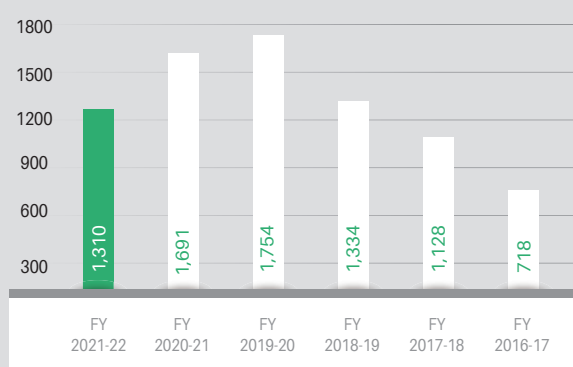
## PAT (INR in Lakhs)



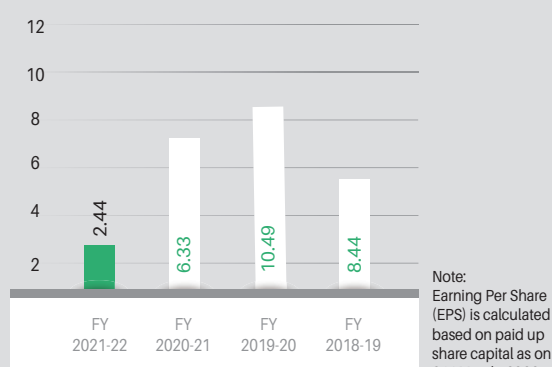
## PAT (%)



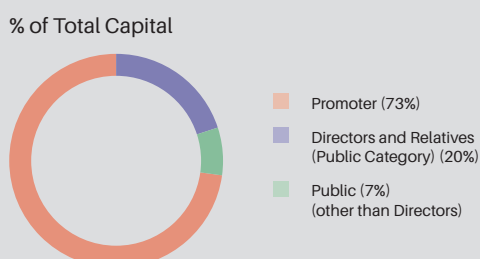
## EBIDTA (INR in Lakhs)



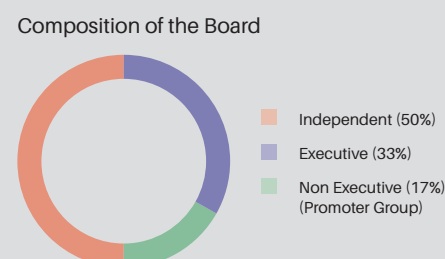
## EPS (INR)



## Shareholding Pattern (31<sup>st</sup> March, 2022)



## Board Composition (10<sup>th</sup> August, 2022)



## Chairman's Message



We are confident of growing by leaps and bounds and becoming a formidable manpower services brand in the country in the times to come. All will be benefited, I am sure.

”

### Dear Shareholders,

It is my privilege to write a few lines for your appreciation on the occasion of presenting the Annual Report for the Financial Year 2021-2022 of your Company.

I hope all our Shareholders have successfully handled various types of Health and associated problems caused by the pandemic.

The Indian economy is gradually getting back to pre-pandemic levels. So is your Company.

The Staff and the Associates of Kapston Services have withstood various trying times and rendered services to our customers and gained their confidence and goodwill. The contribution of our leadership teams is immense and laudable in sustaining our business and getting a good brand name. I personally thank all of them.

### **The Growth Part**

Facility Management and Staffing Services have been growing very fast in India for the last two decades, largely on account of rapid urbanisation and growth of manufacturing and service sectors. The rate of growth is expected to continue for long.

Your Company which used to concentrate mainly on the facility management services like 'Security' and 'House Keeping' launched Staffing services last year. We are rapidly growing and we have several offices all over the country for scaling up our new business and adding to old business verticals, since we provide more than one service to several of our Clients.

We are confident of growing by leaps and bounds and becoming a formidable manpower services brand in the Country in the times to come. All will be benefited, I am sure.

### **Social Responsibility**

Apart from doing the business well, your company has done lot of good to the society by taking up and successfully completing quite a few CSR Activities relating to Health Care and weaker section development activities in the State of Telangana. We will take up more such activities in the future and become a good Corporate Citizen for Greater good of the Community at large.

Wish you a great future, as a part and parcel of our Company.

**Dr. Chereddi Ramachandra Naidu**  
Chairman

# Managing Director's Message

"The year under review has seen a very positive momentum on the business and economic fronts. Our company has registered a fairly satisfactory growth in performance and revenues during the fiscal 2022".

”



## Dear Shareholders,

The year under review has seen a very positive momentum on the business and economic fronts. Our company has registered a fairly satisfactory growth in performance and revenues during the fiscal 2022. The easing of the Pandemic, facilitated our strategy of expansion into newer geographies, to grow General Staffing and IT Staffing vertical. With commercial, residential and corporate spaces resuming to business as usual, security services and IFM saw a major surge in demand. One of the major leaps that has made the last year eventful for the company was the much awaited change of name, formerly known as "Kapston Facilities Management Limited" to a brand that highly associates to HR & Manpower Solutions, as "Kapston Services Limited". The conversion is a deliberate message to convey to the market and our shareholders that our organisation caters to the needs of manpower requirement in Staffing, Security & Soft-service space.

## Our Performance

The year saw an impressive performance by the company in the Staffing vertical where the revenues soared nearly 10 fold to INR 4511 Lakhs in comparison to the previous FY revenue of INR 419.61 Lakhs. Total Revenue grew nearly 28%.

Another notable achievement was the addition of new clients across India. We also achieved large transition business, with reputed corporates. Our entry into the states of Rajasthan, Himachal Pradesh, Gujarat, Uttar Pradesh, Assam, Bihar, Chattisgarh, Jharkhand, Uttarakhand, Madhya Pradesh, Haryana and Punjab was paved by the most esteemed clients we are privileged to have been associated with. Our prime focus for the new financial year would be predominantly on the IT/ITES, Manufacturing, E-commerce and Logistics Sectors.

With the Pandemic setting new codes of working and decorum, our inclination would be towards providing the best quality of services that aligns to the same. Our deliberation of hiring the best talent pool of industry experts was to drive the new lines of business and elevate its' strength to leverage our competencies in the near future. The company introduced RPO (Recruitment Process Outsourcing) and focussed on NAPS (National Apprenticeship Promotion Scheme) to derive maximum benefits from the evolving opportunities extended by the government.

With the rebound in several sectors of the economy in the second half of the fiscal, the company is seeing a pick up in the requirement for manpower across segments. E-commerce and logistics seeing a growth in demand there is a noticeable spike in the requirement for manpower.

## Outlook and Future

Going forward, we want to grow into a strong and comprehensive staffing solutions company. Currently our staffing capabilities include General Staffing, IT Staffing, Permanent Hiring, Payroll Management and Recruitment Process Outsourcing (RPO). We can and therefore should meet the growing needs of the IT/ITES, Manufacturing, Pharma, E Commerce, Logistics, Infrastructure, Automobile, Retail, Telecom, Hospitality, Healthcare, Banking & Finance, PSUs and all industries across.

Pandemic expedited the need for remote work hiring, and gig work and now its trending that way

for candidates who were seeking better work/life balance. The present workforce continues to shift to become mostly millennials & Xennials, our focus is more on Social Media recruitment, brand-building, and engagement and it continues to be our focus in the foreseeable future.

Kapston as an organization is a collective representation of people coming with individual differences in thoughts, personality, unique capabilities and talent that they bring to work, this is one of our success mantra. 38% of gender diversity, allows our organisation to serve an increasingly diverse way.

With our larger vision being the Top 10 in market leadership in staffing fraternity, we are transforming ourselves from services company to a solutions company and Technology is perhaps the biggest component in this transformation. Hence it is our endeavour to invest on Technology, AI based solution for internal use and to cater our customer needs.

As we all know, Future belongs to India with a great share of work from different parts of the world and placement of Indian experts across the globe. I am happy to announce that with the change of company's name and with our growing presence in the market, we are here to stay and conquer the market with our talent, strength and sustenance.

Stay Safe

**Srikanth Kodali**  
Promoter and Managing Director

# Corporate Information

## BOARD OF DIRECTORS

Dr. Chereddi Ramachandra Naidu IPS (Retd)  
Chairman

Mr. Srikanth Kodali  
Managing Director

Mr. Naveen Nandigam  
Independent Director

Ms. Kanti Kiran Doddapaneni  
Non- Executive Director

Ms. Vanitha Nagulavari  
Independent Director

Mr. Nageswara Rao Koripalli IRS (Retd)  
Independent Director

## KEY MANAGERIAL PERSONNEL

Mr. Kapil Sood  
Chief Financial Officer

Ms. Kalluru Manaswini  
Company Secretary and Compliance Officer

## STATUTORY AUDITORS

Mr. Rankireddy Srinivasu  
NSVR & Associates LLP  
Chartered Accountants  
Firm Reg. No. 008801S/S200060

## REGISTERED OFFICE

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

## CORPORATE OFFICE

Plot No.75, Kavuri Hills, Madhapur, Hyderabad,  
Telangana-500034

## INTERNAL AUDITOR

Ms. K Sravanthi  
Chartered Accountant  
Membership Number: 239567

## SECRETARIAL AUDITOR

Mr. D S. Rao  
Practising Company Secretary  
C.P NO. 14487

## REGISTRAR AND TRANSFER AGENT

Bigshare Services Private Limited  
# 06, Right Wing, 3rd Floor, Amrutha Ville, Opp.  
Yashoda Hospital, Somajiguda, Rajbhavan  
Road, Hyderabad - 500082

## INVESTOR CELL CONTACT DETAILS

cs@kapstonservices.com

## Management Discussion Analysis

### Global Economy:

The global economy saw a slight rebound during the FY 2021-22 with a growth of 5.5 percent, which was heartening, given the deep impact it had suffered during fiscal 2020-21, due to the Pandemic forced lockdowns, Work-From-Home and new domestic challenges. According to the UN report, the robust recovery in 2021 – driven by strong consumer spend and some uptake in investment, with trade in goods surpassing pre-pandemic levels – marked the highest growth rate in more than four decades.

However, the fresh variants of Omicron and COVID-19 infections, market challenges and labour issues threaten to slowdown the global economic recovery. Consequently, the global output is projected to grow by only 4 percent in 2022, as per the UN World Economic Situation and Prospects (WESP), 2022.

### Indian Economy:

The Indian economy made a smart recovery with a Gross Domestic Product (GDP) growth of 8.7% during fiscal 2021-22 though it fell short of the projected 9.2%. However, the performance was encouraging compared to the pandemic year.

Key sectors that propelled the economy were manufacturing, construction, and the revival of IT services. Sectors like hospitality, trade and transportation too grew double-digit to shore up the overall GDP levels. However, the supply chain hurdles, labour-related issues and Work-From-Home in the IT sector continued to cause constraints.

### Industry structure and developments

#### Staffing Services:

Staffing in India has shown much activity with the growth of business and e-commerce. Contract staffing has shown remarkable growth over the last few years. Demand for new employees increased in the IT staffing industry, with an increase of 30.7% in FY'22 as compared with 14.1% growth in FY'21.

Staffing industry has witnessed a sea change in its functioning. This growth and transformation have been rapid over the past decade, eventually emerging into a 6-billion-dollar industry. The transformation has changed top players from being manpower service providers to manpower solutions providers, addressing end-to-end HR requirements. Also, digitalization has brought shift in staffing process. Several digital platforms like Upwork, Shiftgig etc. have appeared on the horizon, has helped the job seekers and the end-users. This shift will challenge the traditional staffing companies, if they don't adapt to the new ways. Added to it the pandemic has mechanised the ways of working. Again technology has come to the rescue, enabling employees to work from anywhere.

#### Facility Management Services:

The Indian facilities management services (FMS) market reached a size of about \$5.2 billion in 2021. It is expected to grow at a CAGR of 17% during 2022-27 period. It accounts for around 3% of the GDP and is mostly fragmented with very few organised players.

#### Security Services:

The global private security industry is above 200 Billion dollars in absolute size, it is growing at 5 to 7 percent per annum. In India, the private security industry is more than 15 billion US dollars in size and unlike the rest of the world, private security in India is growing at 15 to 20 percent per annum in the last 20 years.

In fact, Private Security in India is the 2nd largest sector, after agriculture, in terms of employment, with close to 10 million employees. Traditionally, it has been an unorganised sector with around 40% of the market share being with the organised players. However, the industry is progressing towards being organised as the consumer demand for security is gradually evolving from a mere guard to a professional and skilled guard, trained for movement of men and material, fire incidents, medical exigencies, etc. Further technology is progressively playing an ever-increasing role in the value-added services being offered by the industry that include artificial intelligence, surveillance systems, biometric technologies, remote sensors, cyber security, etc.

## Segment-wise or product-wise performance.

### Staffing Services:

The staffing industry in the country has witnessed a significant growth since the decline of the pandemic. It is registering a steady, average growth of 15% over the years. Despite the pandemic, the organised segment had a significant growth over the previous year. The top sectors that grew were IT & ITES, e-Commerce, Pharma, logistics, manufacturing and edutech. The Indian staffing industry added 0.22 million workforce in 2021-22, which is 21.9% higher than the formal workforce addition in the preceding year and sharply exceeds the workforce demand in the pre-pandemic years.

IT companies want manpower that comes at a low cost with a higher efficiency. Hiring contract workers is the solution to this conundrum. In simple words, the staffing industry is all poised to make a giant leap in the coming years.

In the staffing and recruitment industry, "Time is Money", as this is a Human Capital business, Staffing agencies have shifted gear towards data-driven recruitment to match the expectations from clients post Pandemic. Return-to-work plans by many organisations & implementation of Hybrid model, we can expect huge growth on a steady incline in 2022, offering more opportunities for both long-term and gig work.

### Facility Management Services:

The major areas covered by the services are, Property Management, Housekeeping, Technical Services, Pest Control and a range of support services. The FMS sector growth is driven by three major factors—urbanisation, modernisation and population growth & their increasing purchasing power. The demand for FMS is essentially arising from the rapidly growing Services sector-IT, BPO, Manufacturing, BFSI and Multinational companies. The boom in the real estate, residential complexes and industrial growth is pushing up the needs with FM needs. In most of these sectors outsourcing has become the norm.

### Security Services:

With immense funds pumped into real estate business, residential and commercial spaces, Security services is given the much needed attention and credibility. Urbanisation and IT corridors are another reason for the rising requirement for skilled and professional security services. Our association with NSDC has given us a platform to upskill, train and place them at various companies. On an upscale with the increased demand from the hybrid form of work implemented in the IT companies, the numbers are likely to increase.

## Opportunities and Threats

### Staffing Services:

Over the past five years, the industry has grown at a rate of 20-25% per year. There are more than 7,000 staffing Companies in India, which means the career prospects in this field are lucrative.

In the near future, the demand for skilled manpower to operate mega projects and facilities in diversified areas will grow. With the current rate of growth, the Indian staffing market will emerge as the sixth largest in the world. In 2020, it stood as the fourth largest in the Asia-Oceania region behind Japan, China and Australia.

"Remote Hiring and GIG Work" are here to stay. The priorities are shifting for both prospective candidates and hiring organisations, in many cases it reduces time and money for both the parties.

With the rise of start-up culture and amidst the growing demand for contractual workforce among MNCs, we are seeing a rise in gig platforms. Outcome-based work delivery platforms are becoming more popular in eCommerce, Field Sales, Marketing, Telecom, Human Resources, Hospitality, Tourism, Supply Chain/Logistics, and even in IT for roles such as Developers, Programmers, Designers, etc. HR leaders are realizing that gig workers are attracted by career experiences and to attract the best talent available, organizations are offering enriching experiences and growth opportunities by investing in training for them.

### Facility Management Services:

The Indian Government's Atmanirbhar Bharat programme with focus on 'Make in India' opens up many opportunities to domestic companies like us to contribute more and also grow quickly. The Gati Shakti master plan to create a holistic infrastructure development in the country with an investment of a hundred lakh crores will create huge projects. The new IT Parks, airports, metro rail projects, seaports and other investment-intensive projects will shore up the demand.

In the residential and realty space, the popularity of gated communities and gated towers which provide all the required services for the residents has been a boon to the FMS. Their expansion across metros, state capitals and even tier two cities will boost the demand for integrated facility management services. However, several challenges confront the FMS. The most important one is the shortage of manpower of both professionally trained and unskilled. With mega infrastructure projects being implemented across the country, the need for professionals, especially in areas like technical services becomes imperative.

### **Security Services:**

At Kapston, our people are our primary asset, and we invest judiciously to upskill them as per the latest industry developments. Training and Development continue to remain a critical business support function for the Team Kapston. We recruit and train newcomers from some of the most remote parts of the country, imparting skills, generating employment, and developing competence for higher achievements.

At Kapston, our flexibility is our biggest differentiator. We are quick to adapt, learn and implement our new learnings to deliver the best to our clients. We are meticulous in our process and do not entertain any compromise or deviation that might affect the quality of the delivery. Our people are skilled, professional and totally dedicated toward the work. Our professionalism, passion for quality and dedication to push boundaries and achieve the best score with our clients. With this trust, we leave no stone unturned to Protect client interest at all times.

### **Risks and concerns**

#### **Staffing Services:**

An emerging trend that has come forward with the increase in identifying "Soft Skills" is also upskilling the employees. According to a LinkedIn Global Talent Trends Study, 80% says soft skills are increasingly important to company success. Industry continue to see highly-competitive talent pools quickly come and go, and as more and more technology is used to identify hard skills, organisations should focus more on improving Soft Skills of existing candidates as retention mantra.

The question for India is, after proving itself successfully in onshore and offshore hiring for big IT firms across the world, can it meet the growing demands of emerging technologies? Can it educate and prepare the younger generations and current working individuals to meet the growing staffing demands in niche IT fields? This is yet to be seen, but the steps taken by the Indian think tank and Indian IT industry are showing that India is headed in the right direction.

#### **Facility Management Services:**

The Pandemic seems to be ebbing in the Country and work from offices is reviving or the hybrid model is growing. Similarly, new norms are emerging, technology, automation and security are getting updated in industrial, commercial and also in modern residential complexes. All these call for a quick adaptation by the FMS. Another challenge is the market perception and acceptance of unorganised players. Today, there are thousands of unorganised players that enter the market with a focus on only a couple of services such as housekeeping or pest control. The majority of the market is still willing to accept a less professional and unorganized service for a lower cost.

### **Security Services:**

The private security sector has emerged as a major industry by virtue of employment of large manpower, both skilled and unskilled, to meet the burgeoning demand of the corporate sector. With the anticipated growth of the industry, the employment opportunities are tremendous. Since, majority of the workforce employed is in the unorganized sector, the potential for skilling is evident. Current time requires private security personnel to multitask and use technology to perform security, safety and facilitation functions. Skill development, especially Recognition of Prior learning (RPL), reskilling and upskilling are key issues before the private security sector. Therefore, investment in human capital is vital in preparing this industry to take on greater responsibilities.

### **Outlook**

#### **Staffing Services:**

HR leaders are realising the advantage of hiring a contract workforce as this gives them the flexibility to scale their workforce as per project requirements. Thus, shedding the conventional form of hiring practices and relying on Staffing Companies to meet their manpower demands.

Now, the IT workforce is changing, especially considering the pandemic. A contingent work force is the solution to today's workplace problems. The IT staffing industry is constantly evolving and changing to meet today's work requirements and standards.

### Facility Management Services:

The COVID-19 has exposed most of the employees of the sector to the risks of infection as they work in difficult environments. Workplaces like hospitals, commercial spaces with steady flow of customers have been difficult for staff. Ensuring that they follow protocols and safety measures and vaccination has been a key necessity to infuse confidence in the employees. To provide assurance to the clients, Kapston has been investing in the safety and well-being. In tune with the increasing and geographically distributed growth, Kapston has been expanding its operations by opening new branches and investing in capacity building and trained staff.

IFM services are an integral part of the industries, issues like Pandemic has opened eyes of industries to look for more mechanised/skilled manpower. We feel Uncertainty, Safety of Workforce and Business Continuity (BCP) are the biggest challenge during this period. As the pandemic resets major work trends, more than 30% of organizations are now replacing full-time employees with contract to hire workers as a cost-saving measure thus Outsourcing.

The Internet of Things (IoT), an upcoming trend in the FM industry, is set to transform the world as we know it. The Internet of Things is a concept that allows for a hands-free approach when exchanging data from inter-connected devices. Sent via the Internet, the process eliminates any human-to-human or human-to-computer interaction, making information not only more accessible but also facilitating speed and efficiency.

### Security Services:

Our well established training centres helps us maintain a pool of trained Security staff, providing our growth engine with the much needed fuel of competent resources. Our Learning interventions are distributed into every level of our employee's life cycle, providing developmental and transformational paths to build a robust learning-driven organization and make availability of bench strength as & when required.

### Internal control systems and their adequacy

The Management has laid down internal financial controls to be followed by the Company. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the 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 disclosures. The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, CFO certification is provided, for assurance on the existence of effective internal control systems and procedures in the Company. The Audit Committee of the Board oversees the internal audit function. The Audit Committee is regularly apprised by the internal auditors through various presentations. The internal audit function provides assurance to the Board that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

### Key Strengths:

In the last decade, Kapston has emerged as a leading manpower services company constantly upgrading to meet the industry demands. It has built strong and diverse expertise in hiring, training, evaluation and employee retention. The company has a committed management team that is focussed on ensuring efficient services and sensitive towards its employees in order to create a more conducive environment. With a motto of service excellence Kapston regularly emphasises on training of staff, keeping in mind the specific needs of the clients. This customised, trained and efficient workforce that we provide distinguishes us in the market.

Team Kapston believes that change is a continuous process and we must make adequate changes to our business model to ensure leadership position in the Manpower Industry. We sincerely believe that the organization's adoption of technology is bound to swift our growth to the next level, enabling us to capitalize on emerging opportunities. Adoption of Technology, process driven approach is our forte, which helps us to cope up with the Market demand. The introduction of new labour codes will bring about a certain set of uniformity in the wage levels across the country and also enforce higher compliance from the market.

At Kapton, we committed to provide “Great Hiring Experience” as the candidate experience can make or break your business. Ensuring candidates have a smooth and positive work experience needs to be the priority for sourcing managers and recruiters.

### **Material developments in Human Resources / Industrial Relations front, including number of people employed.**

- i. The total number of personnel including Trainees and Apprentices were 13,615 as on March 2022 as compared to 12,416 as on March 2021.
- ii. The back office or ‘Non Billable’ staff strength has increased from 324 to 355. We have added staff to strengthen our senior & middle management teams.
- iii. In continuing our partnership with NSDC in FY 22, we trained as many as 11,879 students as against a target of 12,420.

### **Discussion on financial performance with respect to operational performance.**

- A. Revenue: Revenue grew by 28% to INR 27,224.96 Lakhs as compared to the previous financial year.  
Our company has registered significant growth in the revenue over the previous year. As per the Company’s business plans to expand its operations to cover all major cities in the country.
- B. EBITDA: Correspondingly, EBITDA levels have declined by 22.56% from INR 1691.40 in FY 2021 to INR 1309.82 in FY 22.
- C. Finance Costs: Finance costs increased to INR 665.38 Lakhs from INR 519.66 Lakhs on account of higher working capital utilization due to growth in business.
- D. Depreciation: Depreciation costs increased by approximately INR 188.66 Lakhs primarily due to Purchase of Fixed assets in new branch office premises and also due to increase in depreciation on Right of use assets.
- E. Taxation during the year, the Company continued to avail the benefit of Section 80JJAA of the Income Tax Act, 1961 as well as a Deferred Tax Asset on account of time line differences on Depreciation between IT Act & Companies Act, pursuant to which the Tax income is INR 148.57 Lakhs in FY 2022 as against tax expense of INR 172.93 Lakhs in FY 2021.

### **Ratio Analysis**

The Key Financial ratios are disclosed in the Notes to the Financial Statements which forms the integral part of the Annual report.

## Board's Report

Dear Members,

The Board of Directors ("Board") of Kapston Services Limited (Formerly known as Kapston Facilities Management Limited) ("Kapston" or "Company") with immense pleasure present the Fourteenth Annual report on the business and operations of your company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022.

### 1. FINANCIAL HIGHLIGHTS

The Company's performance during the financial year ended March 31, 2022 is summarized in the following table:

(INR in Lakhs)

Particulars	2021-22	2020-21
Revenue from Operations	27,224.96	21303.86
EBITDA	1309.83	1691.4
Less: Finance Costs	665.38	519.66
Less: Depreciation and amortization expenses	545.68	357.02
Profit before prior period items	98.77	814.72
Prior period items	--	--
<b>Profit before tax</b>	<b>98.77</b>	<b>814.72</b>
Less: Current Tax	--	157.94
Deferred Tax	(148.57)	14.99
Profit Available for appropriations/Loss	247.34	641.78
Basic Earnings per Share (INR)	2.44	6.33
Diluted Earnings per Share (INR)	2.44	6.33
<b>Paid up share capital (face value of INR 10 each)</b>	<b>1014.40</b>	<b>1014.40</b>

A detailed performance analysis on various segments, business and operations are provided in the Management Discussion and Analysis Report which is annexed to this report.

### 2. STATE OF AFFAIRS / COMPANY'S PERFORMANCE

The Company is primarily engaged in providing manpower for staffing solutions, IT staffing, private security services and Integrated Facilities Management Services 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'.

During the Financial period ended March 31, 2022, the revenue from operations stood at INR 27,224.96 Lakhs as against INR 21303.86 Lakhs as on March 31, 2021. The Company has achieved EBITDA (including other income) of INR 1309.83 Lakhs during the financial year 2022 as against that of EBITDA of INR 1691.4 Lakhs for the previous financial year 2021. The profit before tax for the financial year under review is INR 98.77 Lakhs as against INR 814.72 Lakhs for the previous financial year 2021.

### 3. DIVIDEND

The Board of Directors of the Company has not recommended Dividend for the financial year ended March 31, 2022.

### 4. CHANGE IN THE NAME OF THE COMPANY

During the period under review, the name of the Company was changed from "Kapston Facilities Management Limited" to "Kapston Services Limited". The new name Kapston Services Limited – reflects and indicates the true objectives with wider range of services being provided by the Company.

Consequent to the postal ballot exercise and Company's application for name change, the Registrar of Companies, Telangana, Ministry of Corporate Affairs issued the fresh certificate of incorporation dated February 4, 2022 confirming change in the name of the Company from "**Kapston Facilities Management Limited**" to "**Kapston Services Limited**" effective from February 4, 2022. This change in name also involved consequent amendment of Memorandum of Association and Articles of Association of the Company.

The security name of the Company on National Stock Exchange of India Limited is Kapston Services Limited and NSE scrip symbol is 'KAPSTON'.

## **5. TRANSFER TO RESERVES**

For the financial period under review, your Company has proposed not to transfer any amount to the General Reserves.

## **6. 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 Seven years from the date of declaration of dividend.

## **7. SHARE CAPITAL**

During the period under review, there was no change in the Authorised Share Capital of the Company. The Authorized Share Capital of the Company is INR 11,50,00,000 /- (Rupees Eleven Crores and Fifty Lakhs only) divided into 1,15,00,000 (One Crore Fifteen Lakhs only) equity shares of INR 10/- (Rupees Ten only) each.

During the period under review, there has been no change in the Paid up share capital structure of the Company. The Paid Up Capital is INR 10,14,40,610/- (Rupees Ten Crore Fourteen Lakhs Forty Thousand Six Hundred and Ten Only) divided into 1,01,44,061 (One Crore One Lakh Forty Four Thousand Sixty One) equity shares of INR 10/- (Rupees Ten only) each.

The Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Companies Act, 2013 (hereinafter referred as "the Act") read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished and the Company has not issued any stock options to its employees.

### **LISTING OF EQUITY SHARES**

The Company migrated from SME Platform of NSE i.e., NSE Emerge to Main Board of NSE. The Equity shares of the Company are listed on the Main Board of "National Stock Exchange of India Limited" (NSE) with effect from May 27, 2020.

It may be noted that there are no payments outstanding to the Stock Exchange by way of Listing Fees. The company has paid the listing fee for the financial year 2021-22.

## **8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Your Company has not given any Loans / Guarantees and not made any Investments during the financial year 2021-22, as specified under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

## **9. DEPOSITS**

During the year under review, the Company has neither invited nor accepted deposits from the public / members under Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

## **10. 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 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.

## **11. 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.

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

Other than those mentioned in this Report, there has been no material changes and commitments, affecting the financial position of your Company having occurred between the end of the financial year to which the financial statements relate and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

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

The Company is committed to provide a safe and conducive work environment to its employees and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at the workplace. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to promote a healthy work environment and to provide protection to employees at the workplace and redress complaints of sexual harassment and related matters thereto.

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>.

An Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, has been constituted to enquire into complaints, and to recommend appropriate action, wherever required in compliance with the provisions of the Act. All employees (Permanent, Contractual, temporary, trainees) are covered under this policy.

- a. number of complaints filed during the financial year – NIL.
- b. number of complaints disposed of during the financial year – NOT APPLICABLE.
- c. number of complaints pending as on end of the financial year – NIL.

## 14. MEETINGS OF THE BOARD

Seven meetings of the Board were held during the year. The details of composition of the Board, particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

## 15. COMMITTEES OF THE BOARD

Detailed composition of the Board committees, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report, which forms a part of this Report.

## 16. CORPORATE GOVERNANCE

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report. A certificate from Mr. D S Rao, Practicing Company Secretary, Hyderabad, confirming compliance to conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to the Corporate Governance Report **Annexure I**, which forms part of this Annual Report.

## 17. 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.

### Criteria for selection of Non-Executive Directors

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience in the fields of Service Industry, 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 functions 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 a 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 if any. 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, Company Secretary and Chief Financial Officer, 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://www.kapstonfm.com/images/PDF/Nomination%20and%20Remuneration%20Policy.pdf>.

## **18. BOARD EVALUATION AND ASSESSMENT**

The Board of Directors have 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.

## 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Associations of the Company, Ms. Kanti Kiran Doddapaneni, Director (DIN: 07420023), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for reappointment. The Board has recommended her re-appointment.

### Appointment of Directors

During the year under review,

- Dr. Ramachandra Naidu Cherredy (DIN: 02096757) has been re-appointed as Chairman for a term of 3 years with effect from August 29, 2021.

### Appointment and Resignation of KMP

During the year under review,

- The Board considered and approved the resignation of Ms. Amreen Gulnaaz from the post of Company Secretary and Compliance Officer of the Company w.e.f. June 15, 2021. The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Ms. Kinkeri Vyshali as Company Secretary and Compliance Officer of the Company with effect from August 9, 2021.
- The Board considered and approved the resignation of Mr. Brendon Thomas Pereira from the post of Chief Financial Officer of the Company w.e.f. October 31, 2021. The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Kapil Sood as Chief Financial Officer of the Company with effect from November 8, 2021.
- The Board considered and approved the resignation of Ms. Kinkeri Vyshali from the post of Company Secretary and Compliance Officer of the Company w.e.f. December 10, 2021.
- The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Ms. Kalluru Manaswini as Company Secretary and Compliance Officer of the Company with effect from February 14, 2022.

## 20. DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received declarations from the Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) and 25 of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committees of the Company.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

## 21. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Board of Directors, to the best of their knowledge and information and explanations received from the Company, confirm that:

- a) in the preparation of the accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- b) they have selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year under review;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) they have prepared annual accounts of the Company on a 'going concern' basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

## 22. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2022 can be accessed at <https://www.kapstonfm.com/investors.html>.

## 23. CORPORATE SOCIAL RESPONSIBILITY

The Company believes in building and maintaining a sustainable societal value, inspired by a noteworthy vision to actively participate, contribute and impact not just individual lives but create a difference on a social level as well.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the CSR Committee.

The Board has adopted the CSR Policy, as formulated and recommended by the CSR Committee, and is available on the Company's website at <https://www.kapstonfm.com/images/PDF/CSR%20Policy.pdf>

The disclosure of contents of CSR policy pursuant to provisions of Section 134(3)(o) of Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as **Annexure II** to the Board's Report.

## 24. PARTICULARS OF EMPLOYEES

The information relating to remuneration and other details as required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided as an **Annexure III** to this report.

There are no employees who draw remuneration in excess of the limits prescribed in Rule 5(2)(i), (ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Pursuant to the provisions of the first proviso to Section 136(1) of the Act, the annual report excluding the remuneration details of top ten employees is being sent to the Members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request

## 25. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming a part of the Annual Report.

## 26. STATUTORY AUDITORS

M/s NSVR and Associates LLP, Chartered Accountants, (Firm Registration No.0008801S/S200060), who are the Statutory Auditor of your Company, hold office until the conclusion of the 14<sup>th</sup> AGM.

Pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/S NSVR and Associates LLP, Chartered Accountants, are proposed to be re-appointed as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of the 14<sup>th</sup> AGM till the conclusion of the 19<sup>th</sup> AGM in 2027, subject to approval of Members in the ensuing AGM. The necessary resolutions for re-appointment of M/s NSVR and Associates LLP, Chartered Accountants, form part of the Notice convening the ensuing AGM.

The Board has duly examined the Statutory Auditors' Report on the financial statements, which is self-explanatory. The Auditors report for Financial Year 2022 does not contain any qualification, reservation or adverse remark for the year under review. The Auditor's Report is enclosed with the financial statements in this Annual Report. During the year under review, the Auditors have not reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3) (ca) of the Act.

## 27. SECRETARIAL AUDITOR

Mr. D.S Rao, Practicing Company Secretary (CP No.- 14487), was appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for Financial Year 2022. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report is provided in **Annexure-IV** to this Report.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

The Board based on the recommendation of the Audit Committee has re-appointed Mr. D.S Rao, Practicing Company Secretary, Hyderabad as Secretarial Auditor of the Company for the financial year 2022-23 pursuant to the Board resolution dated May 20, 2022.

## 28. COST AUDIT

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is not required by the Company and accordingly such accounts and records are not made and maintained.

## 29. INTERNAL AUDITOR

The Board, on the recommendation of the Audit Committee, in its meeting had approved the appointment of M/s. Ms. Sravanthi Karuturi, Chartered Accountant (M No - 239567) as the Internal Auditors of the Company for Financial year 2021-22 to conduct the internal audit, which is reviewed each year in consultation with the Audit Committee. On a quarterly basis also, Internal Auditors give presentations and provide a report to the Audit Committee of the Company.

The Board based on the recommendation of the Audit Committee, has re-appointed Ms. Sravanthi Karuturi, Chartered Accountant (M No - 239567) as the Internal Auditors for the financial year 2022-23.

## 30. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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.

## 31. 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.

## 32. VIGIL MECHANISM

In compliance with Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in confirmation with the above laws, to report concerns about unethical behaviour.

The details of the Policy is also available on the website of the Company  
<https://www.kapstonfm.com/images/PDF/Whistle%20Blower%20policyyy.pdf>

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.

### **33. 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.

### **34. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **35. COMPLIANCE WITH THE ICSI SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118 of the Act, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and notified by the Ministry of Corporate Affairs ("MCA").

### **36. OTHER DISCLOSURES**

- The Company does not have any subsidiary or group or associate company, therefore standalone financial statement is presented.
- There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.
- There are no instances of one-time settlement during the financial year.
- Various policies as approved by the Board of Directors in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is hosted on the company's website at <https://kapstonfm.com/investors.html>

### **37. 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, co-operation, 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, partners, investors and all other Stakeholders, Regulators and Stock Exchange(s) for their consistent support to the Company.

Last but not the least, the Directors also sincerely acknowledge the significant contributions made by all the employees for their continued & dedicated services to the Company.

**For and on behalf of the Board of Directors**  
**Kapston Services Limited**  
(Formerly known as Kapston Facilities Management Limited)

**Sd/-**  
**Dr. Chereddi Ramachandra Naidu**  
*Executive Chairman*  
DIN: 02096757

Date : August 10, 2022  
Place : Hyderabad

## 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 Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company's shares are listed on:

S. No.	Name of the Stock Exchange	Date of Listing
1	National Stock Exchange of India Limited	27.05.2020

Kapston Services Limited (Formerly known as Kapston Facilities Management Limited) which was originally listed on NSE Emerge w.e.f April 4, 2018 has migrated to Main Board of National Stock Exchange of India Limited with effect from May 27, 2020.

**1. CORPORATE GOVERNANCE PHILOSOPHY**

The Corporate Governance principles of Kapston Services Limited (Formerly known as Kapston Facilities Management Limited) ("Kapston" or "Company") are designed to promote a way to sustainable growth, enabling the Company to outperform its business operations in a fair, transparent and ethical manner. It provides a strong framework that defines the roles, rights, and responsibilities of different groups within the organization.

KAPSTON is committed in doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Conduct and Ethics is an extension of our values and reflects our continued commitment to ethical business practices across our operations. This philosophy is further strengthened by its adoption of the Code of Conduct for the Board members and senior management, the Board process, Code of Conduct for the Prevention of Insider Trading and the Code for Fair Disclosure.

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 Company believes that an effective Board requires an optimum combination of professionals from different spheres with diversity and independence. The Board comprises of enlightened leaders who provide strategic direction and guidance to the management and have the responsibility of ensuring concord between shareholders' expectations, the Company's plans and the management's performance.

The board of Directors along with its committees provides focus and guidance to the Company's management and also directs and monitors the performance of the Company.

The Board presently comprises (on August 10, 2022) 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 Women Directors. There are three Independent Director on the Board.

The Company has an Executive Chairman (Non-Promoter). 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 Board as on March 31, 2022**

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)
<b>Total</b>	<b>6 (Six)</b>

The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("Act").

No. of Directors	Category
Mr. Srikanth Kodali	Managing Director (Promoter, Executive)
Dr. Chereddi Ramachandra Naidu	Chairman (Executive)
Mr. Naveen Nandigam	Director (Independent, Non-Executive)
Ms. Vanitha Nagulavari	Director (Independent, Non-Executive)
Ms. Kanti Kiran Doddapaneni	Director (Promoter, Non-Executive)
Mr. Nageswara Rao Koripalli	Director (Independent, Non-Executive)

b) **Attendance of each director at the Board meetings held during the year 2021-2022 and at the last Annual General Meeting:**

S. No.	Name of the Director	Category	No of Board Meetings during the Year 2021-2022		Attendance at AGM held on September 18, 2021	@No. of Directorships held in other Companies	Committee	
			Held	Attended			Chair-manship	Member-ship
1	Dr. Chereddi Ramachandra Naidu	Chairman, ED (Non-Promoter)	7	7	Yes	2	0	0
2	Mr. Srikanth Kodali	MD (Promoter)	7	7	Yes	NIL	0	2
3	Mr. Naveen Nandigam	NED (I)	7	7	Yes	3	3	0
4	Ms. Vanitha Nagulavari	NED (I)	7	7	Yes	2	0	2
5	Ms. Kanti Kiran Doddapaneni	NED	7	7	Yes	NIL	1	0
6	Mr. Nageswara Rao Koripalli	NED (I) (Promoter)	7	7	Yes	NIL	0	0

- 1) Category : ED - Executive Director, NED - Non-Executive Director, MD - Managing Director, NED (I) - Non-Executive Director and Independent.
- 2) Excludes directorship in foreign Companies and Companies incorporated u/s. 8 (non-profit companies) of the Companies Act, 2013, including private limited companies.
- 3) Includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.

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

Board meetings are scheduled as required under the Listing Regulations, the Act and the Rules made thereunder and as required under business exigencies. The Board met seven (7) times during the year under review and the gap between two consecutive meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI").

These meetings were held on:

1. 08-04-2021
2. 12-06-2021
3. 09-08-2021
4. 01-10-2021
5. 08-11-2021
6. 13-12-2021
7. 14-02-2022

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 is a whole-time director of a listed Company, more than three companies.

**d) Disclosure of Relationships between the Directors inter-se:**

Except the promoter directors Mr. Srikanth Kodali and Ms. Kanti Kiran Doddapaneni who are related to each other, no other Director has any relationship with any other Director.

The Shareholding of Non-Executive Directors is as follows:

S. No.	Name and Designation of the Director	No of Shares Held
1.	Ms. Kanti Kiran Doddapaneni Promoter Group	188002
2.	Mr. Naveen Nandigam Independent Director	2800
3.	Ms. Vanitha Nagulavari Independent Director	16200
4.	Mr. Nageswara Rao Koripalli Independent Director	6000

**e) Board qualifications, expertise and attributes**

Pursuant to corporate governance provisions of the Act and the Listing Regulations, our Board has an optimum combination of Executive and Non-Executive Directors with 50% of the Board comprising Independent Directors. The Nomination and Remuneration Committee ("NRC") along with the Board identifies the right candidate with the right qualities, skills and experience required for an individual member to possess and also the Board as a whole.

The Board comprises qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- a. Business and Administration
- b. Finance and accounts
- c. Legal and governance
- d. Industry knowledge
- e. Risk management
- f. Analytical skills
- g. Decision making skills
- h. Leadership skills

Name of Director	Designation	Years of Experience	Field of Expertise
Dr. Chereddi Ramachandra Naidu	Chairman, Executive	45 years	Business and Administration
Mr. Srikanth Kodali	Managing Director - Promoter	20 years	Business, Administration Human Resource Management and Strategic Business Planner
Mr. Naveen Nandigam	Independent Director	32 years	Financial, Audit and Accounting
Ms. Vanitha Nagulavari	Independent Director	13 years	Legal, Secretarial and Compliance
Ms. Kanti Kiran Doddapaneni	Non-Executive Director (Promoter)	14 years	Human Resource Management
Mr. Nageswara Rao Koripalli	Independent Director	34 years	Taxation and Legal Aspects

**f) Independent Directors**

**(i) Criteria of Independence**

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

**(ii) Number of Directorships**

The number of Companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulation 17A and 25 of the Listing Regulations.

**(iii) Tenure**

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the Listing Regulations and Section 149(10) of the Act.

Mr. Ramachandra Naidu Chereddi was re-appointed as Executive Chairman at the previous AGM of the Company held on 18 September 2021 for a period of second term / tenure of 3 (Three) consecutive years.

**(iv) Separate meeting of Independent Directors**

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on February 14, 2022 without the presence of Non-Independent Directors and members of the management to inter-alia discuss matters pertaining to:

The performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors:

- The performance of the Non-Independent Directors and the Board as a whole.
- The quality, quantity and timeliness of the flow of the information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- The Independent Directors expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings.

**Web link where details of familiarization programmes imparted to Independent Directors:**

Our Directors, at the time of their appointment, are provided with information about the Company and its organizational structure, business model, vision and values, latest published results and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

The details of the programmes conducted by the Company for the familiarization of Independent Directors are posted on the Company's website under the <https://www.kapstonfm.com/images/PDF/FamiliarizationProgramme.pdf>

**(g) Agenda for the meetings and information furnished to the Board**

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. Information to the Directors is submitted along with the agenda papers well in advance of the Board meeting by the Company Secretary.

### 3. COMMITTEES OF DIRECTORS

The Board of Directors has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its charter and / or policy which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.

The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Minutes of the meetings of all the Committees are placed before the Board for review. The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable.

#### A. Audit Committee (AC)

##### 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 Securities and Exchange Board of India (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 Securities and Exchange Board of India (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

S. No.	Name of the Director	Nature of Directorship	Designation
1	Mr. Naveen Nandigam	Independent Director	Chairman
2	Mr. Srikanth Kodali	Executive Director	Member
3	Ms. Vanitha Nagulavari	Independent Director	Member

As required under Regulation 18 of the Listing Regulations, the Chairman of the Audit Committee is an Independent Director.

##### Meetings and attendance during the Year 2021-22

During the year, Five (05) 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	Number of Committee Members Attended
April 8, 2021	3
June 12, 2021	3
August 9, 2021	3
November 8, 2021	3
February 14, 2022	3

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 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 senior executives in the top level management of the Company and other elements of their appointment to and acts in terms of reference of the Board from time-to-time. The Company's Remuneration Policy as applicable to directors, key managerial persons 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 Director	Nature of Directorship	Designation
1	Ms. Vanitha Nagulavari	Independent Director	Chairperson
2	Mr. Naveen Nandigam	Independent Director	Member
3	Ms. Kanti Kiran Doddapaneni	Non-Executive Director	Member

Company Secretary of the Company acts as Secretary to the Committee

### **Meetings and attendance during the year 2021-22**

During the year Three (03) 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	Number of Committee Members Attended
August 9, 2021	3
November 8, 2021	3
February 14, 2022	3

### **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 (Listing Obligations and Disclosure Requirements) 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 advices from 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 and is 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 February 14, 2022.

### Remuneration of Directors

The details of remuneration and commission paid to the Managing Director and Whole Time Director are as follows:

Category of Payment	Amount in INR	
	Mr. Srikanth Kodali (Managing Director)	Dr. Chereddi Ramachandra Naidu (Executive Chairman)
Fixed Component	1,20,00,000	15,00,000
<b>Total</b>	<b>1,20,00,000</b>	<b>15,00,000</b>

Apart from the above, Executive Chairman and Managing Director are 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, 2022 is as follows:

Name of the Director	Designation	Sitting Fees Paid (Amount in INR)	No. of Shares Held on March 31, 2022
Mr. Naveen Nandigam	Independent Director	2,00,000	2800
Ms. Vanitha Nagulavari	Independent Director	2,00,000	16200
Ms. Kanti Kiran Doddapaneni	Non-Executive Director (Promoter Group)	Nil	188002
Mr. Nageswara Rao Koripalli	Independent Director	2,00,000	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 INR 1,00,000/- towards Professional Charges for advisory services provided by him to the Company.

Ms. 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 (SRC)

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

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

Company Secretary of the Company acts as Secretary to the Committee

During the year under review, the meeting of Stakeholder Relationship Committee was held on February 14, 2022, and all the members of the Committee have attended the meeting.

The SRC Committee deals with stakeholder relations and 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 (Listing Obligations and Disclosure Requirements) 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	Ms. Kanti Kiran Doddapaneni
Name and designation of the Compliance Officer	Ms. Kalluru Manaswini, Company Secretary and Compliance Officer
Number of Shareholders' Complaints received in FY 2021-22	Nil
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

#### D. Corporate Social Responsibility Committee (CSRC).

The CSR Committee of the Company functions in accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof. The composition of the CSRC is as under:

S. No.	Name of the Director	Nature of Directorship	Designation
1	Mr. Srikanth Kodali	Executive Director	Chairman
2	Ms. Vanitha Nagulavari	Independent Director	Member
3	Dr. Chereddi Ramachandra Naidu	Executive Director	Member

Company Secretary of the Company act as Secretary to the Committee

#### Meetings and attendance during the year 2021-22

During the year Three (03) 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	Number of Committee Members Attended
April 8, 2021	3
August 9, 2021	3
February 14, 2022	3

## 4. GENERAL BODY MEETINGS

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

Financial Year	Date Time	Venue	Special Resolution Passed
2020-21	September 18, 2021 11.00 A.M.	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	Re-appointment of Dr. Ramachandra Naidu Chereddi as Chairman of the company
2019-20	September 30, 2020 11.30 A.M.	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	No Special Resolution was passed during the said AGM
2018-19	September 27, 2019 11.30 A.M.	Daspalla Hotel, Road No. 37, CBI Colony, Jubilee Hills, Hyderabad, Telangana-500033	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	January 11, 2020	Corporate Office of the company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad -500034	10.30 A.M.	<ul style="list-style-type: none"> <li>Authorisation to the Board of Directors to Mortgage /Charge /Hypothecate Property(ies) /Undertaking(s) of the Company- Special Resolution.</li> <li>Increase in the borrowing powers of the company - Special Resolution</li> </ul>

\*During the year the company has not conducted any EGMs.

**The details of General Meetings (other than AGMs) held through Postal Ballot are given:**

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				
2021-2022	January 18, 2022	CS D S Rao, Practicing Company Secretary, (CP No. 14487)	The Postal ballot is conducted in accordance with the provisions of Sec 110 of The Companies Act, 2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time	Approval for the change of name of the company from Kapston Facilities Management Limited To Kapston Services Limited <table><tr><td>No. of valid postal ballot and electronic votes</td><td>10</td></tr><tr><td>No of Equity Shares</td><td>1082092 (all votes are in favour)</td></tr></table>	No. of valid postal ballot and electronic votes	10	No of Equity Shares	1082092 (all votes are in favour)
No. of valid postal ballot and electronic votes	10							
No of Equity Shares	1082092 (all votes are in favour)							

**MEANS OF COMMUNICATION****a. Financial Results**

Prior intimation of the Board Meeting to consider and approve Unaudited /Audited Financial Results of the Company is given to the Stock Exchange and also disseminated on the official website of the Company at [www.kapstonfm.com](http://www.kapstonfm.com). The aforesaid Financial Results are immediately intimated to the Stock Exchange after the same is approved at the Board Meeting.

**b. Newspapers wherein results normally published**

The quarterly, half-yearly and annual Financial Results of the Company are published in widely circulated daily Newspapers viz., Business Standard (English) and Nava Telangana (Telugu).

**c. Website**

The website of the Company [www.kapstonfm.com](http://www.kapstonfm.com) contains a dedicated section "Investors" which contains details / information of interest to various stakeholders, including Financial Results, Shareholding Pattern, Company Policies, etc. The Members/ Investor can view the details of electronic filings done by the Company on the respective website of NSE i.e., [www.nseindia.com](http://www.nseindia.com).

**d. Annual Report**

The Annual Report containing, inter alia, Audited Financial Statement, Boards Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

**e. 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.

**f. Presentations made to institutional investors or to analysts:**

The presentations made to institutional investors or to analysts are displayed in the Company's website.

**g. SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/resolved electronically in the SEBI SCORES system.

## GENERAL SHAREHOLDER'S INFORMATION

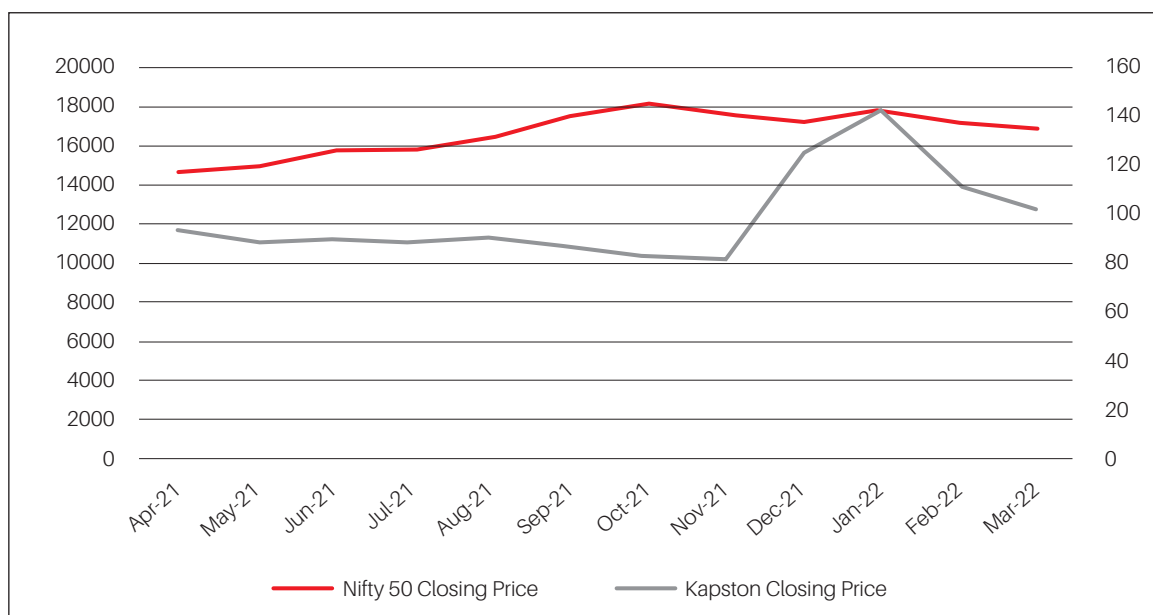
CIN Number	L15400TG2009PLC062658		
Registered Office	Plot No. 287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad - 500072, Telangana, India.		
Corporate Office	Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034 Telangana, India.		
Annual General Meeting Date and Time:	September 23 <sup>rd</sup> , 2022, 3.00 P. M.		
Venue:	Corporate office of the Company Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034 Telangana, India.		
Financial Year	April 1, 2021 to March 31, 2022		
Dividend Payment Date	During the year under review, the Company has not declared and paid dividend to the members.		
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):	National Stock Exchange of India Ltd Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex Bandra(E), Mumbai - 400 051		
	<b>Name of the Stock Exchange</b>	<b>Stock Code</b>	<b>Scrip Code</b>
	NSE	N.A	KAPSTON
Listing fees to the stock exchanges and Annual custodian fees to depositories for the year 2022-23 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 2021-22 at National Stock Exchange of India Limited (NSE) are given below:

Month	NSE		
	High (INR)	Low (INR)	Volume (In Lakhs)
April, 2021	103.95	90.10	0.09
May, 2021	98.75	85.65	0.18
June, 2021	96.60	85.00	0.39
July, 2021	94.95	84.05	0.30
August, 2021	93.95	79.80	0.25
September, 2021	90.30	80.15	0.47
October, 2021	89.55	79.45	0.29
November, 2021	92.85	81.05	0.34
December, 2021	133.60	82.00	1.51
January, 2022	185.35	122.55	2.12
February, 2022	144.40	105.15	0.70
March, 2022	118.65	96.15	0.63

### Closing share price performance in comparison to broad based indices – NSE Nifty



**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, 3rd Floor Amrutha Ville, Opp. Yashoda Hospital Somajiguda, Rajbhavan Rd Hyderabad - 500082
Telephone Numbers	040-2337 4967/ 040-2337 0295
Contact Person	R. Amarendranath
Email id	<a href="mailto:amarendranath.r@bigshareonline.com">amarendranath.r@bigshareonline.com</a> <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a>
Website	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

#### 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 March 31, 2022.

S. No.	Shareholding of Nominal (INR)	No of Shareholders	% of total	Share Amount (INR)	% to Total Share Amount
1.	1-5000	1173	82.7221	1060610	1.0455
2.	5001-10000	63	4.4429	516440	0.5091
3.	10001-20000	82	5.7828	1166630	1.1501
4.	20001-30000	23	1.6220	602620	0.5941
5.	30001-40000	13	0.9168	476280	0.4695
6.	40001 - 50000	8	0.5642	369970	0.3647
7.	50001-100000	21	1.4810	1436990	1.4166
8.	100001-999999999	35	2.4683	95811070	94.4504
	<b>Total</b>	<b>1418</b>	<b>100</b>	<b>101440610</b>	<b>100</b>

The total number of shareholders i.e., 1418 includes shareholders who hold two Demat accounts with same PAN, the actual shareholders as on March 31, 2022 is equal to 1391.

### Shareholding Pattern as on March 31, 2022

Category	No of Shares Held	Percentage of Capital
Indian Promoters	7391695	72.87
Banks, Financial Institutions, and Mutual Funds	Nil	-
Foreign Portfolio Investors and Foreign Institutional Investors	Nil	-
Indian Public and HUF	2699054	26.61
Private Corporate Bodies/Body Corporate	14491	0.14
NRI/OCBs/FCB and Foreign Nationals	4203	0.04
Others	34618	0.34
<b>Total</b>	<b>10144061</b>	<b>100</b>

### Dematerialization of shares and liquidity.

Number of Shares	% of Total Shares	Number of Shareholders	% of Total Shareholders
10144061	100	1418	100

The breakup of Shares in De-mat and physical form as on March 31, 2022 is as follows.

Particulars	No. of Shares of INR.10 /- each	% of Shares
Demat Segment		
NSDL	2183073	21.52
CDSL	7960988	78.48
Sub-total	10144061	100.00
Physical Segment	Nil	----
<b>Total</b>	<b>10144061</b>	<b>100.00</b>

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

### Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

## Our Branches

In addition to our Registered Office, Corporate Office and Recruitment Office situated at Hyderabad, we have several other branches from where we operate. Details are as follows:

S. No.	Branch	Address	Nature of Operation
1	Corporate Office	Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034	Administration, Back end operation
2	Registered office (Recruitment Centre-1)	Plot No. 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad - 500 072	Recruitment, Administration, Training
3	Recruitment Centre -2	Flat # 201, 9/HIG-A & 10/HIG Vasista Bhavan, APHB Colony, Gachibowli, Hyderabad - 500 032	Recruitment, Training
4	Visakhapatnam	50-49-25/1, 2nd Floor, TPT Colony, Seethammadhara, Opp. NRI Hospital Vishakapatnam - 530013	Regional Operation
5	Vijayawada	Door No: 13-169, Tulasi Nagar, 4th Line, Kanuru, Vijayawada, Andhra Pradesh - 520007	Regional Operation
6	Guntur	Plot No. 50, Door No.133-171, 3rd Lane, Sai Nath Colony, Mahatma Gandhi Inner Ring Road, Guntur Dist, Andhra Pradesh - 522034	Regional Operation
7	Tirupati	D. No.:15-79/6, Vasantharayapuram, 15th Street, Panchalinagar, Renigunta Chittoor District- Andhra Pradesh - 517520	Regional Operation
6	Bengaluru	Ground Floor, Ajmera Aditya Summit, 80 Feet Road, 7C Main Road, 3rd Cross Road, Koramangala 3rd Block, Bengaluru - 560034	Regional Operation
7	Chennai	#L1, Ram Building, 1st Floor, Tiru Vi Ka Industrial Estate, Guindy, Chennai - 600032	Regional Operation
8	Bhubaneshwar	4th Floor, Flat No. 10, Plot No A/181, Janardhan House, Shaheed Nagar, Landmark :Opp to OPDC Building, Shaheed Nagar, Bhubaneshwar District - Khurda, Odisha - 751007	Regional Operation
9	Pune	Office No. 03, Wing B, 4th Floor, Office No. 3, B Wing, City Vista, Kharadi, Pune - 411014	Regional Operation
10	Mumbai	#818, Hubtown Viva, Western Express Highway, Saraswati Baug, Shakarwadi, Jogeshwari (East), Mumbai - 400 060, Maharashtra	Regional Operation
11	Kolkata	12th Floor, Tower II, Godrej Waterside, DP - 5, DP Block, Sector V, Bidhannagar Godrej Waterside, Kolkata - 700091	Regional Operation
12	Delhi	Unit 3G, 3rd Floor, Uppals M6 Plaza, Jasola District Centre, New Delhi - 110025	Regional Operation

## Our Training Centers

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
			Kapston Training Academy, Plot No. 287, MIG - 2, IX Phase, KPHB Colony, Hyderabad, Telangana - 500072
			Kapston Training Academy, Flat # 201, 9/HIG-A & 10/HIG Vasista Bhavan, APHB Colony, Gachibowli, Hyderabad - 500 032
2	Karnataka	Mysore	Kapston Training Academy, 2nd Floor, MES High School Campus, Ummar Khyam Road, Tilak Nagar, Mysore, Karnataka - 570021
3	Odisha	Khurda	Kapston Training Academy, Hi-Tech Institute of Technology, Barunei Industrial Estate, Near NH-16, Khurda, Odisha - 752057

## Address for Correspondence

Corporate Office	Kapston Services Limited (Formerly known as Kapston Facilities Management Limited) Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034
Telephone Numbers	+91 98487 78243 +91 96405 04050
Website	www.kapstonservices.com
E-mail ID	cs@kapstonservices.com

## Credit Rating

Kapston Services Limited has obtained credit rating from CRISIL, an S & P Global Company and they have given their credit rating vide its letter dated May 31, 2022, the credit rating details are as follows:

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

## 5. 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 (Listing Obligations and Disclosure Requirements) 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/2022/june2022/RPTPolicy.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 has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. No penalty has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

### 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 adopted the Whistle-Blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company.

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](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	Amount (in Lakhs)
Name of Auditor	NSVR & Associates LLP.
Statutory Audit	5,00,000

**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 (when the Company was listed on NSE Emerge) financial results are submitted to the stock exchanges and are simultaneously placed on the website of the Company at [www.kapstonfm.com](http://www.kapstonfm.com) apart 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 March 31, 2022.

**(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](http://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).

**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 (Listing Obligations and Disclosure Requirements) 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 only in the year 2020-21 and seven years have not elapsed from the date of declaration of dividend.

### Unclaimed Equity Dividends and Shares

This provision is not applicable to the Company as the Company has declared dividend only 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereto, disclosures w.r.t. the same are not applicable to the Company.

**For and on behalf of the Board of Directors  
Kapston Services Limited**

(Formerly known as Kapston Facilities Management Limited)

**Sd/-**

**Dr. Chereddi Ramachandra Naidu**

Chairman

DIN: 02096757

Date : August 10, 2022

Place : Hyderabad

## Annexure - I A

### Practicing Company Secretaries' Certificate on Independent Directors

## 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 SERVICES LIMITED**

**(Formerly Known as Kapston Facilities Management Limited)**

Hyderabad.

We have examined the relevant records, forms, returns and disclosures received from the directors of **KAPSTON SERVICES LIMITED, Formerly Known as 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](http://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, 2022** 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.

S. No.	Name of Director	Nature / Category of Directorship	DIN
1	Ramachandra Naidu Chereddi	Executive Chairman	02096757
2	Srikanth Kodali	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/-

**CS D. S. RAO; PCS**

ACS No.: 12394

C P. No.: 14487

UDIN: A012394D000772626

PEER REVIEW CER. No.: 1817/2022

Date : August 10, 2022

Place : Hyderabad

## Annexure-I B

**MANAGING DIRECTOR'S AND CFO'S CERTIFICATION**

To  
The Board of Directors  
**KAPSTON SERVICES LIMITED**  
**(Formerly Known as Kapston Facilities Management Limited)**  
Hyderabad.

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Kapston Services Limited (Formerly known as Kapston Facilities Management Limited) ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:
  - 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 no transactions entered into by the Company during the financial year, which are fraudulent, illegal or in violation of Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls and for evaluating 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 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 based on our most recent evaluation, wherever applicable, 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.

Date : August 10, 2022  
Place : Hyderabad

Sd/-  
**Srikanth Kodali**  
Managing Director  
(DIN 02464623)

Sd/-  
**Kapil Sood**  
Chief Financial Officer

**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 31<sup>st</sup> March 2022.

Date : August 10, 2022  
Place : Hyderabad

Sd/-  
**Srikanth Kodali**  
Managing Director  
(DIN 02464623)

## Annexure-I C

### Practicing Company Secretaries' Certificate on Corporate Governance **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
The Members  
**KAPSTON SERVICES LIMITED**  
*(Formerly Known as 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 SERVICES LIMITED** *(Formerly Known as Kapston Facilities Management Limited)* (hereinafter referred to as "the Company") for the year ended March 31, 2022 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.

Sd/-  
**CS D. S. RAO; PCS**

ACS No.: 12394

CP. No.: 14487

UDIN: A012394D000772560

PEER REVIEW CER. No. 1817/2022

Date : August 10, 2022

Place : Hyderabad

## ANNEXURE-II

## 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. Kapston strives to reach out to the under-privileged, needy and weaker sections of the society and to address the social, educational, cultural, environmental and economic needs of such sections of the society. The company shall give preference to the local area of its operations.

Your Company believes that it has an essential role to play during the COVID-19 pandemic and is deeply committed to its responsibility to people in this hour of need. On the ground your Company is mobilizing substantial local relief efforts in the communities where it operates

#### Key Focus Areas of the CSR Policy are:

- To promoting health care including preventive health care.
- Slum area development
- To help underprivileged children to access quality education.
- To promote gender equality and empowering women.
- To contribute to the Swach Bharat Kosh set-up by the Central Government, any other Government authority for the promotion of sanitation.

### 2. Composition of CSR Committee

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)	3	3
2	Ms. Vanitha Nagulavari	Member (Non- Executive Independent Director)	3	3
3	Dr. Chereddi Ramachandra Naidu	Member (Executive Director)	3	3

### 3.

#### a. 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 INR)	Amount required to be set-off for the Financial Year, if any (in INR)
NA			

**6. Average Net Profit of the Company as per Section 135(5) of the Act: INR 940.22 Lakhs**

7. a. Two percent of average net profit of the Company as per Section 135(5) of the Act for the Financial Year 2021-22: **INR 18.80 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): **INR 18.8 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
₹ 18.82 Lakhs	--	--	NA	--	NA

- b. Details of CSR amount spent against ongoing projects for the Financial Year: **Not Applicable**

- c. Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of Projects	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in INR Lakhs)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration
1	COVID -19 Contribution	(i) Promotion Of Health Care	Yes	Telangana	Hyderabad	1.82	Yes	Not Applicable	Not Applicable
2	COVID -19 Contribution	(i) Promotion Of Health Care	Yes	Telangana	Hyderabad	5.00	Yes	Not Applicable	Not Applicable
3	Slum Area Development	Development of Roads in Slum Areas	Yes	Telangana	Hyderabad	12.00	Yes	Not Applicable	Not Applicable
<b>Total</b>		<b>18.82</b>							

- d. Amount spent in Administrative Overheads: -- **NIL**

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

- f. Total amount spent for the Financial Year: ₹ **18.82 Lakhs**

- g. Excess Amount for set off, if any: **NIL**

S. No.	Particulars	Amount (INR) (In Lakhs)
(i)	Two percent of average Net Profit of the Company as per Section 135(5) of the Act	18.8
(ii)	Total amount spent for the Financial Year	18.82
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount payable for set off in succeeding financial years [(iii)-(iv)]	0.02

9. a. Details of Unspent CSR Amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (INR in Lakhs)	Amount spent in the Reporting Financial Year (INR in Lakhs)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			Amount remaining to be spent in remaining Financial Years ( INR in Lakhs)
				Name of the Fund	Amount	Date of Transfer	
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year (in INR)	Status of the project - Completed /Ongoing
Not Applicable								

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**

- (a) Date of creation or acquisition of the capital asset(s): **Not applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **NIL**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **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**

For and on behalf of the Board  
Kapston Services Limited

(Formerly known as Kapston Facilities Management Limited)

Sd/-

Srikanth Kodali

Managing Director &

Chairman of CSR Committee

DIN: 02464623

Sd/-

Chereddi Ramachandra Naidu

Chairman

DIN: 02096757

Place : Hyderabad

Date : August 10, 2022

## Annexure III

### 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 2021-22 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

(INR In Lakhs)

S. No.	Name of Director/Key Managerial Personnel	Remuneration 2020-21 (p.a) INR	Remuneration 2021-22 (p.a) INR	Percent-age (%) Change	Ratio to Median Remuneration
1	Mr. Srikanth Kodali	87,00,000	1,20,00,000	37.93	33.47
2	Dr. Chereddi Ramachandra Naidu	11,03,240	15,00,000	35.96	4.18
3*	Mr. Brendon Thomas Pereira	8,50,000	10,00,000	17.65	2.79
4*	Mr. Kapil Sood	Nil	23,47,415	Nil	6.55
5**	Ms. Amreen Gulnaaz	4,89,743	1,14,000	-76.72	0.32
6**	Ms. Vyshali Kinkeri	Nil	2,36,612	Nil	0.66
7**	Ms. Kalluru Manaswini	Nil	1,16,161	Nil	0.32

\* During the year under review, Mr. Brendon Thomas Pereira, resigned from the position of Chief Financial Officer w.e.f. October 31, 2021. Mr. Kapil Sood has been appointed as Chief Financial Officer w.e.f., November 08, 2021.

\*\*During the year under review, Ms. Amreen Gulnaaz resigned from the position of Company Secretary and Compliance Officer w.e.f. June 15, 2021 and Ms. Kinkeri Vyshali, appointed as Company Secretary and Compliance Officer w.e.f. August 09, 2021. Ms. Kinkeri Vyshali, resigned from the position of Company Secretary and Compliance Officer w.e.f. December 10, 2021 and Ms. Kalluru Manaswini, appointed as Company Secretary and Compliance Officer w.e.f. February 14, 2022.

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 2021-2022)

(INR in Lakhs)

Independent /Non-Executive Directors	Sitting fee	Ratio to Median Remuneration
Mr. Naveen Nandigam	2.00	0.56
Ms. Vanitha Nagulavari	2.00	0.56
Mr. K Nageswara Rao	2.00	0.56
Ms. Kanti Kiran Doddapaneni	Nil	-----

- ii) The percentage of increase in the median remuneration of employees in the financial year: **36.46%**
- iii) The number of permanent employees on the rolls of the Company: **355**
- iv) The median remuneration of employees of the Company during the financial year was: **INR 3,58,540**
- 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.**

For and on behalf of the Board  
Kapston Services Limited

(Formerly known as Kapston Facilities Management Limited)

Sd/-  
Chereddi Ramachandra Naidu  
Chairman  
(DIN 02096757)

## Annexure IV

## 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 SERVICES LIMITED**  
*(Formerly Known as 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 SERVICES LIMITED, (FORMERLY KNOWN AS 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, 2022**, 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 (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(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. Chereddi Ramachandra Naidu	Re-Appointment	Reappointed as an Executive Chairman w.e.f. August 29 <sup>th</sup> , 2021 with the approval of shareholders at the AGM held on September 18 <sup>th</sup> 2021
2	Mr. Srikanth Kodali	Re-Appointment	Retired by rotation and being eligible, reappointed as a Director in the AGM held on September 18 <sup>th</sup> , 2021.

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,** during the period under review, pursuant to the Special Resolution dated January 16, 2022 passed by the Members through postal ballot and the approval of the National Stock Exchange of India Limited (NSE) the Name of the Company has been changed from "KAPSTON FACILITIES MANAGEMENT LIMITED to KAPSTON SERVICES LIMITED".

**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/-  
**CS D. S. RAO; PCS**  
M. No.: A12394  
M. No.: A12394  
CP. No.: 14487

Date : 10/08/2022  
Place : Hyderabad

UDIN: A012394D000772494  
PEER REVIEW CER. No.: 1817/2022

**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.

**'Annexure A'**

**TO,  
THE MEMBERS,  
KAPSTON SERVICES 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/-**

**CS D. S. RAO; PCS**

M. No.: A12394

CP. No.: 14487

UDIN: A012394D000772494

PEER REVIEW CER. No.: 1817/2022

Date : 10/08/2022

Place : Hyderabad

## INDEPENDENT AUDITOR'S REPORT

To

The Members of Kapston Services Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **KAPSTON SERVICES LIMITED** (Formerly Known as Kapston Facilities Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, 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
<p><b>Accuracy of recognition, measurement, presentation &amp; disclosures of revenue</b></p> <p>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.</p> <p><b>Judgements include</b></p> <ul style="list-style-type: none"> <li>• Interpretation of contract terms;</li> <li>• Allocation of revenue to performance conditions; and</li> <li>• Combining of obligations where the services are related.</li> </ul> <p><b>Trade Receivable</b></p> <p>Trade receivables as indicated in Note No 4 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.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>We have performed the following audit procedures</b></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>

Key Audit Matters	How the Matter was addressed in Audit
Total debtors constitute 56.88% of the total assets of the company and the outstanding trade receivable are about 124 days of the total revenue. Accordingly, the value of receivables comprises a significant portion of the total assets of the company.	<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"> <li>• Evaluate and test the controls for managing trade receivables like credit limits and subsequent recovery,</li> <li>• Assessing the recoverability of long out Standings,</li> <li>• Evaluation of status of disputes and possibility of recovery,</li> <li>• Seek independent confirmations and apply alternate audit procedures in case of non replies.</li> </ul> <p><b>Conclusion</b> 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, 2020, 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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) 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/-**

**R Srinivasu**

Partner

M. No: 224033

UDIN: 22224033AJHMIQ7812

Date : May 20, 2022

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 SERVICES LIMITED  
(Formerly Known as Kapston Facilities 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 SERVICES LIMITED** (Formerly Known as Kapston Facilities Management Limited) ("the Company") as of March 31, 2022 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, 2022, 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Limitations of Internal Financial Controls Over Financial Reporting

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

#### For NSVR & ASSOCIATES LLP.,

Chartered Accountants

(FRN No. 008801S/S200060)

Sd/-

**R Srinivasu**

Partner

M. No: 224033

UDIN: 22224033AJHMIQ7812

Date : May 20, 2022

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 SERVICES LIMITED  
(Formerly Known as Kapston Facilities Management Limited) of even date)*

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including leased assets.
  - (b) Maintenance of Proper records for Intangible records is not applicable to the company.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant, and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (d) 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.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets).
  - (f) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
  - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. The company has not advanced any loans, guarantees to directors of the company. Hence these clause is not applicable to the company.
- 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 per information & explanation given by the management, The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax,

Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no disputed dues pending as on March 31, 2022.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. a. The Company has not defaulted in repayment of Loans or borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- d. On an overall examination of the financial statements, Company has not utilized funds short term fund for long term investments
- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

No whistle blower complaints received by the Company during the year (and up to the date of this report).

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are Opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For NSVR & ASSOCIATES LLP**

Chartered Accountants  
(FRNo.008801S/S200060)

Date : May 20, 2022  
Place : Hyderabad

Sd/-  
**R Srinivasu**  
Partner  
M. No: 224033  
UDIN: 22224033AJHMIQ7812

## Statement of Audited Balance Sheet as at March 31, 2022

INR in Lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Property plant and Equipment	2	671.18	913.22
b) Right of Use Asset	3	435.43	366.16
c) Investment Property	4	1,138.29	1,121.52
e) Deferred Tax Assets ( Net)	5	444.13	301.26
<b>Total Non current Assets</b>		<b>2,689.03</b>	<b>2,702.16</b>
<b>(2) Current assets</b>			
(a) Inventories	6	360.23	297.21
(b) Financial assets			
(i) Trade receivables	7	9,240.72	6,384.58
(ii) Cash and cash equivalent	8	106.06	282.37
(iii) Bank Balance other than (ii) above	9	531.07	158.00
(iv) Other financial assets	10	1,294.77	1,181.12
c) Other current assets	11	2,023.06	1,360.03
<b>Total Current Assets</b>		<b>13,555.91</b>	<b>9,663.31</b>
<b>Total Assets</b>		<b>16,244.94</b>	<b>12,365.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	12	1,014.41	1,014.41
b) Other Equity	13	4,339.98	4,075.70
		<b>5,354.39</b>	<b>5,090.11</b>
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	14	1,171.80	1,450.85
(ia) Lease Liabilities	15	322.72	314.95
(ii) Other Financial Liabilities			
b) Provisions	16	176.03	93.59
<b>Total Non current Liabilities</b>		<b>1,670.55</b>	<b>1,859.39</b>
<b>2) Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	6,798.67	3,278.39
ia) Lease Liabilities	18	177.89	94.32
ii) Trade payables	19	236.00	402.11
iii) Other financial liabilities	20	993.38	918.67
b) Other current liabilities	21	950.64	645.71
c) Provisions	22	63.42	76.77
<b>Total Current Liabilities</b>		<b>9,220.00</b>	<b>5,415.97</b>
<b>Total Liabilities</b>		<b>16,244.94</b>	<b>12,365.47</b>
<b>Corporate Information and Significant accounting Policies</b>	1		
The accompanying notes form an integral part of IND AS Financial statements			
This is the Balance sheet referred to in our report of even date			

M/s NSVR AND ASSOCIATES LLP

Chartered Accountants

FR. No: 008801S/S200060

For and on behalf of the Board of

KAPSTON SERVICES LIMITED

(Formerly Known as Kapston Facilities Management Limited)

Sd/-

R Srinivasu

Partner

M No: 224033

UDIN: 22224033AJHMIQ7812

Sd/-

Srikanth Kodali

Managing Director

DIN: 02464623

Sd/-

Kanti Kiran Doddapaneni

Director

DIN: 07420023

Sd/-

Kapil Sood

Chief Financial Officer

Sd/-

Kalluru Manswini

Company Secretary

M.No: A56890

Date : May 20, 2022

Place : Hyderabad

## Statement of Profit & Loss account for the Year Ended March 31, 2022

INR in Lakhs

Particulars	Note No	For Year Ended March 31,2022	For Year Ended March 31,2021
<b>Income</b>			
Revenue from operations	23	27,224.96	21,303.86
<b>Total Revenue from operations</b>		<b>27,224.96</b>	<b>21,303.86</b>
Other income	24	52.82	38.44
<b>Total Income</b>		<b>27,277.78</b>	<b>21,342.30</b>
<b>Expenses</b>			
Cost of materials consumed	25	549.41	383.20
Employee benefits expense	26	24,648.43	18,712.73
Finance costs	27	665.38	519.66
Depreciation and amortization expense	1	545.68	357.02
Other expenses	28	770.11	554.97
<b>Total Expenses</b>		<b>27,179.00</b>	<b>20,527.59</b>
<b>Profit before tax</b>		<b>98.77</b>	<b>814.72</b>
<b>Tax expense</b>			
(1) Current tax			157.94
(2) Deferred tax		-148.57	14.99
<b>Net Profit for the Period</b>		<b>247.34</b>	<b>641.78</b>
<b>Other comprehensive income (OCI)</b>			
(a) (i) Items that will not be reclassified to profit or loss		-22.64	97.15
(ii) Tax on items that will not be reclassified to profit or loss		5.70	-24.45
(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			
<b>Total Other Comprehensive income</b>		<b>-16.94</b>	<b>72.69</b>
<b>Total Comprehensive income</b>		<b>264.28</b>	<b>714.48</b>
<b>Earnings per share</b>			
Basic earnings per share of Rs. 10/-each		<b>2.44</b>	<b>6.33</b>
Diluted earnings per share of Rs. 10/- each		<b>2.44</b>	<b>6.33</b>
<b>Weighted average equity shares used in Computing Earnings per Equity shares</b>			
Basic		1014.41	1014.41
Diluted		1014.41	1014.41

M/s NSVR AND ASSOCIATES LLP  
Chartered Accountants  
FR. No: 008801S/S200060

For and on behalf of the Board of  
KAPSTON SERVICES LIMITED  
(Formerly Known as Kapston Facilities Management Limited)

Sd/-  
R Srinivasu  
Partner  
M No: 224033  
UDIN: 22224033AJHMIQ7812

Sd/-  
Srikanth Kodali  
Managing Director  
DIN: 02464623

Sd/-  
Kanti Kiran Doddapaneni  
Director  
DIN: 07420023

Sd/-  
Kapil Sood  
Chief Financial Officer

Sd/-  
Kalluru Manswini  
Company Secretary  
M.No: A56890

Date : May 20, 2022  
Place : Hyderabad

## Cash Flow Statement for the Year Ended March 31, 2022

INR in Lakhs

Particulars	As at March 31,2022	As at March 31,2021
	Audited	Audited
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	98.77	814.72
Adjusted for :		
Interest debited to P&L A/c	665.38	519.66
Gratuity Provision	74.43	76.78
Profit on Sale Fixed Assets	0.45	-
Depreciation	386.05	357.02
<b>Operating profits before working capital changes</b>	<b>1,225.08</b>	<b>1,768.18</b>
<b>Changes in Assets and Liabilities</b>		
Inventories	-63.02	(14.35)
Sundry debtors	-2,856.15	47.21
Other current financial and current assets	-1,188.61	358.55
Sundry Creditors	-166.11	11.74
Other Current /Non current and Financial Liabilities	343.69	70.82
Other Short Term Provisions/Long term Provisions	69.07	(99.50)
<b>Cash generated from operations</b>	<b>(2,636.06)</b>	<b>2,142.65</b>
Income tax paid	-417.33	(641.53)
<b>Net cash generated from operating activities</b>	<b>(2,218.72)</b>	<b>1,501.12</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and change in capital wip	-163.33	(285.90)
Sale of Fixed Assets	3.00	4.65
<b>Net cash used in investing activities</b>	<b>(160.33)</b>	<b>(281.26)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>Secured and Unsecured Loans</b>		
Proceeds/(Repayment) of Long Term Borrowings	-113.53	676.65
Proceeds/(Repayment) of short Term Borrowings from other than banks		-
Interest paid	-665.38	(519.66)
Dividend Paid		(101.44)
<b>Net cash generated in financing activities</b>	<b>(778.91)</b>	<b>55.55</b>
<b>D. Net increase / (decrease) in cash and cash equivalents</b>	<b>(3,157.96)</b>	<b>1,275.41</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>-2,414.64</b>	<b>(3,690.05)</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>(5,572.60)</b>	<b>(2,414.64)</b>

### Notes

#### 1) Cash and Cash equivalents includes

Particulars	As at 31.03.2022	As at 31.03.2021
Cash on hand	18.87	35.09
<b>Cash Equivalents</b>		
Current accounts	87.19	247.28
Deposit accounts	531.07	158.00
Deposits against Bank Guarantee	137.46	137.41
Short Term Borrowings from banks	-6,347.19	(2,992.43)
	<b>(5,572.60)</b>	<b>(2,414.65)</b>

M/s NSVR AND ASSOCIATES LLP

Chartered Accountants

FR. No: 008801S/S200060

For and on behalf of the Board of

KAPSTON SERVICES LIMITED

(Formerly Known as Kapston Facilities Management Limited)

Sd/-

R Srinivasu

Partner

M No: 224033

UDIN: 22224033AJHMIQ7812

Sd/-

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Chief Financial Officer

Sd/-

Kanti Kiran Doddapaneni

Director

DIN: 07420023

Sd/-

Kalluru Manswini

Company Secretary

M.No: A56890

Date : May 20, 2022

Place : Hyderabad

# 1. NOTES TO FINANCIAL STATEMENTS

## DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Corporate information

KAPSTON SERVICES LIMITED (Formerly Known as 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 and IT Staffing Services. The company has registered office at Hyderabad and provides services in major cities all over India. The Equity Shares of the company are listed on NSE Emerge an SME Platform of National Stock Exchange of India Limited.

On 27<sup>th</sup> May 2020 the equity shares of the Company were migrated to Main Board of National Stock exchange of India Limited.

The name of the Company has been changed from 'Kapston Facilities Management Limited' to 'Kapston Services Limited' and a fresh certificate of incorporation in the name of 'Kapston Services Limited' has been issued by the Registrar of Companies on 4<sup>th</sup> February 2022.

### 1.2 Basis of Preparation and Presentation of Financial Statements

The financial statements of **Kapston Services 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<sup>st</sup> March 2022, 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.

The financial statements are presented in Indian Rupees (INR) and are rounded off to the nearest Lakhs except per share data and unless stated otherwise. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

### 1.3 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation and
- Long-term borrowings are measured at amortized cost using the effective interest rate method.
- Right of use assets are recognized at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred if any.

### 1.4 Functional and Presentation Currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian Rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

### 1.5 Use of Estimates and Judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 1.19 - lease classification.
- Note 1.19 - leases: whether an arrangement contains a lease and lease classification

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 1.10 – determining an asset's expected useful life and the expected residual value at the end of its life

## 1.6 Measurement of Fair Values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 28 - Financial instruments

## 1.7 Current and Non-Current Classification

'The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

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

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- 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 liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current. 'Deferred tax assets/liabilities are classified as non-current.

## 1.8 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

## 1.9 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.

## 1.10 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.

Category	Useful Life
Mobiles	5 Years
Office Equipment	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Plant and Machinery	5 Years
Livestock	8 Years
Lease Hold Improvement	5 Years or useful life of asset whichever is lower

## 1.11 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.

## 1.12 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.

#### (ii) Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortised cost using Effective Rate of Return (EIR).

#### (iii) Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### (iv) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

### a. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## **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.

### *Subsequent measurement*

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

#### **(ii) Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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. This category generally applies to borrowings.

### **Derecognition**

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 1.12 Inventories

Inventories consist of finished goods and 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.

## 1.13 Impairment of Non-Financial Assets

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 impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

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 has been recognized.

## 1.14 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.

## 1.15 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 and the fair value of plan assets. 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.

**1.16 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.

**1.17 Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Amounts recognised as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, service tax, value added tax, goods and services tax 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 non-contract-based business, revenue represents the value of goods delivered or services performed.
- (iii) 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.
- (iv) 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.
- v) 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.

The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

#### **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 Rounding off and other non operating income these are recognized as and when accrued.

## 1.18 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of *time* to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## 1.19 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 straight line basis over the lease term.

## 1.20 Tax Expenses

Tax expense consists of current and deferred tax.

### a. Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

### b. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

## 1.21 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.

## 1.22 Provisions, Contingent Liabilities and Contingent Assets

### 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

### **Contingent liabilities**

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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

### **Contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

## **1.23 Cash Flow Statements**

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

## **1.24 Trade Receivables**

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

## **1.25 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.

## **1.26 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. 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.

**e. 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 value.

**Recent pronouncements**

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

**IND AS 103 - Reference to Conceptual Framework**

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

**Ind AS 16 – Proceeds before intended use**

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

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

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

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

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

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

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

#### M/s NSVR AND ASSOCIATES LLP

Chartered Accountants  
FR. No: 008801S/S200060

Sd/-

**R Srinivasu**

Partner

**M No: 224033**

UDIN: 22224033AJHMIQ7812

#### For and on behalf of the Board of KAPSTON SERVICES LIMITED

(Formerly Known as Kapston Facilities Management Limited)

Sd/-

**Srikanth Kodali**

Managing Director

**DIN: 02464623**

Sd/-

**Kanti Kiran Doddapaneni**

Director

**DIN: 07420023**

Sd/-

**Kapil Sood**

Chief Financial Officer

Sd/-

**Kalluru Manswini**

Company Secretary

**M.No: A56890**

Date : May 20, 2022

Place : Hyderabad

## 2. Property, Plant and Equipment

All the Amounts in INR Unless Specified

Description	Office Equipments	Computers	Mobiles	Furniture and Fixtures	Printers	inverters	Plant and Machinery	Vehicles	Live stock	Lease Hold Improvements	Total
Gross carrying amount (Cost or deemed Cost)											
Cost as at 1 <sup>st</sup> April, 2021	256.11	118.62	49.37	267.90	6.71	8.21	1.96	672.71	0.96	490.11	1,872.66
Additions	37.85	22.72	0.72	4.68	0.72	0.00	0.00	36.72	0.48	42.68	146.56
Disposals								7.26			
<b>Cost as at 31<sup>st</sup> March, 2022</b>	<b>293.96</b>	<b>141.34</b>	<b>50.09</b>	<b>272.57</b>	<b>7.44</b>	<b>8.21</b>	<b>1.96</b>	<b>702.17</b>	<b>1.43</b>	<b>532.79</b>	<b>2,011.97</b>
Accumulated Depreciation	163.31	93.75	25.52	95.15	4.26	7.43	1.62	503.29	0.61	64.51	959.45
Charge for the year	48.03	21.86	10.93	45.19	1.24	0.19	0.15	59.10	0.31	199.03	386.05
Disposals								4.70			
<b>As at 31<sup>st</sup> March, 2022</b>	<b>211.35</b>	<b>115.61</b>	<b>36.45</b>	<b>140.34</b>	<b>5.50</b>	<b>7.62</b>	<b>1.77</b>	<b>557.69</b>	<b>0.92</b>	<b>263.54</b>	<b>1,340.80</b>
Net Carrying Value											
<b>As at 31<sup>st</sup> March, 2021</b>	<b>92.80</b>	<b>24.87</b>	<b>23.85</b>	<b>172.75</b>	<b>2.46</b>	<b>0.79</b>	<b>0.34</b>	<b>169.42</b>	<b>0.34</b>	<b>425.60</b>	<b>913.22</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>82.61</b>	<b>25.73</b>	<b>13.64</b>	<b>132.23</b>	<b>1.94</b>	<b>0.59</b>	<b>0.19</b>	<b>144.48</b>	<b>0.51</b>	<b>269.25</b>	<b>671.18</b>

### Note No. 3 - Right of use Asset

Description	Buildings
<b>Gross carrying amount</b>	
Cost as at 1 <sup>st</sup> April 2021	523.08
Additions	228.91
Disposals	
<b>Cost as at 31<sup>st</sup> March 2022</b>	<b>751.99</b>
Accumulated Depreciation	156.92
Charge for the year	159.63
Disposals	
<b>As at 31<sup>st</sup> March 2022</b>	<b>316.56</b>
<b>Net Carrying Value</b>	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>366.16</b>
<b>As at 31<sup>st</sup> March 2022</b>	<b>435.43</b>

### Note No. 4 - Investment Property

Description	Land ( Investment Property)
<b>Gross carrying amount (Cost or deemed Cost)</b>	
Cost as at 1 <sup>st</sup> April 2021	1,121.52
Additions	16.77
Disposals	
<b>Cost as at 31<sup>st</sup> March 2022</b>	<b>1,138.29</b>
Accumulated Depreciation	-
Charge for the year	-
Disposals	0.00
<b>As at 31<sup>st</sup> March 2022</b>	
<b>Net Carrying Value</b>	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>1,121.52</b>
<b>As at 31<sup>st</sup> March 2022</b>	<b>1,138.29</b>

### Note No. 5 - Deferred Tax Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset on 80JJAA	242.38	187.86
Deferred Tax Asset on Property, plant & equipment	130.62	81.21
Deferred Tax Asset on Right of Use Assets	16.41	-10.85
Deferred Tax Asset on Gratuity	54.57	42.88
Deferred Tax Asset on Others	0.16	0.16
<b>Total</b>	<b>444.13</b>	<b>301.26</b>

**Note No. 6 - Inventories**

Particulars	As at March 31, 2022	As at March 31, 2021
Closing Stock	360.23	297.21
<b>Total</b>	<b>360.23</b>	<b>297.21</b>

**Note No. 7 - Trade Receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	9,240.72	6,384.58
<b>Total</b>	<b>9,240.72</b>	<b>6,384.58</b>

Particulars	Trade Receivables Outstanding as at March 31, 2022						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables -considered good	2,844.35	6,207.62	-	-	-	51.23	9,103.20
Undisputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-Considered good	-	-	-	29.46	161.46	-	190.92
Disputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables-Credit impaired	-	-	-	-	-53.40	-	-53.40
<b>Total</b>	<b>2,844.35</b>	<b>6,207.62</b>	<b>-</b>	<b>29.46</b>	<b>108.06</b>	<b>51.23</b>	<b>9,240.72</b>

Particulars	Trade Receivables Outstanding as at March 31, 2021						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables -considered good	1,775.30	4,373.36	-	-	-	45.00	6,193.66
Undisputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-Considered good	-	-	-	161.46	-	-	161.46
Disputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,775.30</b>	<b>4,373.36</b>	<b>-</b>	<b>161.46</b>	<b>-</b>	<b>45.00</b>	<b>6,384.58</b>

**Note No. 8 - Cash and Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	18.87	35.09
Balances with banks in		
- Current accounts	87.19	247.28
<b>Total</b>	<b>106.06</b>	<b>282.37</b>

**Note No. 9 - Bank Balance other than (ii) above**

Particulars	As at March 31, 2022	As at March 31, 2021
- Fixed Deposits in Banks	531.07	158.00
<b>Total</b>	<b>531.07</b>	<b>158.00</b>

**Note No. 10 - Other Financial Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Rental and other deposits	235.83	211.78
Receivables for training projects	921.49	831.93
Deposits against Bank Guarantee	137.46	137.41
<b>Total</b>	<b>1,294.77</b>	<b>1,181.12</b>

**Note No. 11 - Other Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to employees	958.27	814.08
Advance to Suppliers	46.11	54.67
Balances with Govt Authorities- TDS Receivable	880.90	463.57
Prepaid Expenses	125.65	22.19
TDS Recoverable On Financial Charges	1.83	1.83
Other Advances	10.29	3.70
<b>Total</b>	<b>2,023.06</b>	<b>1,360.03</b>

**Note No. 12 - Equity**

Balance as at April 01, 2021	Changes in Equity share capital during the Current year	Balance as at March 31, 2022
1,014.41	-	1,014.41

Balance as at April 01, 2020	Changes in Equity share capital during the Current year	Balance as at March 31, 2021
1,014.41		1,014.41

Shares held by Promoters at the end of the Year			% change during the Year
Promoter Name	No of shares held	% of total shares	
SRIKANTH KODALI	72.04	71.01%	Nil
KANTI KIRAN DODDAPANENI	1.88	1.85%	Nil

## Details of share holding more than 5% in the company

	As at March 31, 2022		As at March 31, 2021	
Promoter Name	No of shares held	% of total shares	No of shares held	% of total shares
SRIKANTH KODALI	72.04	71.01%	72.04	71.01%
CHEREDDI RAMACHANDRA NAIDU	6.41	6.32%	6.41	6.32%

## Note No 13 - B. Other equity

Particulars	Reserves and Surplus			Capital Reserve	Other Reserves (OCI)		TOTAL
	Securities Premium Reserve	Retained Earnings	Share Options Outstanding Account		Actual gain/Loss on account of Defined benefit plans	Foreign currency translation reserve	
Balance at 31 <sup>st</sup> March 2021	755.81	3,260.82			59.07		4,075.70
Restatements	-	-	-	-	-	-	-
Profit for the Period 01.04.2021 to 31.03.2022		247.34					247.34
Other Comprehensive income							
Dividend paid							
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					16.94		16.94
Balance at 31 <sup>st</sup> March 2022	755.81	3,508.16			76.02		4,339.98

## Note No. 14 - Long term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
a) Loans from Banks & Financial Institutions		
Secured*	221.69	311.99
Unsecured**	950.11	1,138.86
Total	1,171.80	1,450.85

## Note No. 15 - Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	322.72	314.95
Total	322.72	314.95

**Note No. 16 - Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	176.03	93.59
<b>Total</b>	<b>176.03</b>	<b>93.59</b>

**Note No. 17 - Short-term borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
a) Borrowings from Banks & Financial Institutions		
Secured*	6,347.19	2,992.43
b) Loans and advances from related Parties		
Unsecured		
c) Current maturities of Long term Borrowings	451.48	285.96
<b>Total</b>	<b>6,798.67</b>	<b>3,278.39</b>

**Note No. 18 - Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	236.00	402.11
<b>Total</b>	<b>236.00</b>	<b>402.11</b>

Particulars	Trade Payables outstanding As at March 31, 2022					
	Not Due	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	227.43	8.57	-	-	236.00
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
<b>Total</b>		<b>227.43</b>	<b>8.57</b>			<b>236.00</b>

Particulars	Trade Payables outstanding As at March 31, 2021					
	Not Due	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	400.92	1.19	-	-	402.11
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
<b>Total</b>		<b>400.915</b>	<b>1.19</b>			<b>402.11</b>

**Note No. 19 - Lease Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of Lease Liabilities	177.89	94.32
<b>Total</b>	<b>177.89</b>	<b>94.32</b>

**Note No. 20 - Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Rent payable	15.54	16.23
Expenses Payable	5.60	3.06
Expenses payable of projects	7.92	6.20
Salaries Payable	133.32	111.78
Wages Payable	802.99	755.26
Interest Accrued	28.00	26.14
<b>Total</b>	<b>993.38</b>	<b>918.67</b>

**Note No. 21 - Other Current Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	902.89	513.75
Advance Received for Training Projects	47.75	131.96
<b>Total</b>	<b>950.64</b>	<b>645.71</b>

**Note No. 22 - Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	63.42	76.77
<b>Total</b>	<b>63.42</b>	<b>76.77</b>

**Note No. 23 - Revenue from Operations**

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
(a) House Keeping	8,301.29	8,665.63
(b) Security Service Charges	13,589.24	11,912.47
(c) Contract Staffing Income	4,510.28	419.61
(d) Grants Received from Ministry of Rural Development and Government of India for DDU -GKY skill Projects	173.77	135.40
(e) Unbilled Revenue	650.38	170.75
<b>Total</b>	<b>27,224.96</b>	<b>21,303.86</b>

**Note No. 24 - Other Income**

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
Interest Received	23.79	13.78
Misc Income	0.10	5.65
Profit on Sale of Fixed Assets	0.45	-
Income from NAPS programme	14.68	-
Grant Deferred Income	13.80	19.01
<b>Total</b>	<b>52.82</b>	<b>38.44</b>

**Note: 25 - Cost of Materials consumed**

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
Opening Stock	297.21	282.86
Purchases	612.43	397.55
Closing Stock	360.23	297.21
<b>Cost of Materials consumed</b>	<b>549.41</b>	<b>383.20</b>

**Note No. 26 - Employee Benefits**

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
Wages	20,871.69	15,744.42
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	173.77	135.40
Salaries	1,401.68	968.18
Directors Remuneration	120.00	87.00
Other Employee Benefits	2,081.29	1,777.74
<b>Total</b>	<b>24,648.43</b>	<b>18,712.73</b>

**Note No. 27 - Finance cost**

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
Interest on Vehicle loans and other Term loans	140.37	106.69
Interest on Bank O/D	418.18	235.03
Bank Charges	24.82	34.79
Bills Discounted charges	21.72	92.84
Interest On lease	60.29	50.32
<b>Total</b>	<b>665.38</b>	<b>519.66</b>

**Note No. 28 - Other Expenses**

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
Advertisement Charges	4.55	5.72
Professional Fees	10.00	3.00
Internal Audit Fees	2.00	2.00
Business Promotion Expenses	32.92	18.93
Consultancy Charges	82.17	54.47
Director Sitting Fees	6.00	6.00
Conveyance	41.36	32.99
Electricity Charges	23.03	20.95
Donation	23.18	19.73

Particulars	For the Year Ended March 31, 2022	For the year ended March 31, 2021
CSR Expenses	18.80	27.20
Bad Debts	28.10	-
Insurance	53.34	19.70
Rates and Taxes	20.90	66.07
Office Maintenance	52.17	38.65
Postage and Telegram	1.83	1.42
Printing and Stationery	27.68	13.27
Rent	62.94	62.12
Internet Charges	12.79	6.90
Telephone Charges	19.62	17.31
Travelling Expenses	41.88	21.99
Computer Maintenance	11.48	4.34
Vehicle Maintenance	52.99	45.72
NSDC Expenditure	29.25	29.90
Kennels (Dog Training Exp)	3.64	11.19
Recruitment expenses	24.42	5.68
Annual Maintenance Charges	4.67	5.25
Expected Credit Loss	53.40	-
Other expenses	19.99	9.45
<b>Audit Fees</b>		
Statutory Audit	3.00	3.00
Tax Audit	2.00	2.00
<b>Total</b>	<b>770.11</b>	<b>554.97</b>

### Note No. 29 - Earnings per Share

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Profit after tax (PAT)		
<b>Net Profit for calculation of Basic and Diluted EPS (A)</b>	<b>247.34</b>	<b>641.78</b>
Weighted average number of equity shares for Basic EPS (B)	101.44	101.44
Effect of dilution	-	-
Weighted average number of equity shares for Diluted EPS (C)	101.44	101.44
<b>Basic EPS (A/B)</b>	<b>2.44</b>	<b>6.33</b>
<b>Diluted EPS (A/C)</b>	<b>2.44</b>	<b>6.33</b>

**Note No. 30 – Auditor Remuneration**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Statutory Audit Fees	3.00	3.00
Tax Audit fees	2.00	2.00
For other services		
Total *	5.00	5.00

\* Excluding Taxes

**Note No. 31 – Related Party Transaction****(a) Names of related parties and nature of relationship**

Key Management Personnel (KMP)	
Dr. Chereddi Ramachandra Naidu	Chairman
Mr. Srikanth Kodali	Managing Director
Mr. Naveen Nadigam	Independent Director
Ms. Vanitha Nagulavari	Independent Director
Mr. Nageswara Rao Koripalli	Independent Director
Ms. Doddapaneni Kanti Kiran	Non Executive Director
Mr. Brendon Thomas Pereira	Chief Financial Officer (Resigned w.e.f. October 31, 2021)
Mr. Kapil Sood	Chief Financial Officer (Appointed w.e.f. November 8, 2021)
Ms. Amreen Gulnaz	Company Secretary (Resigned w.e.f. June 15, 2021)
Ms. Kinkeri Vyshali	Company Secretary (Resigned w.e.f. December 10, 2021)
Ms. Kalluru Manaswini	Company Secretary (Appointed w.e.f. February 14, 2022)

**(b) Transactions during the year**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
<b>Remuneration</b>		
Mr. Chereddi Ramachandra Naidu	15.00	11.03
Mr. Srikanth Kodali	120.00	87.00
Mr. Brendon Thomas Pereira	10.00	8.50
Mr. Kapil Sood	23.47	-
Ms. Amreen Gulnaz	1.14	4.90
Ms. Vyshali Kinkeri	2.37	-
Ms. Kalluru Manaswini	1.16	-
<b>Sitting fee</b>		
Mr. Naveen Nandigam	2.00	2.00
Mr. Vanitha Nagulavari	2.00	2.00
Mr. Nageswara Rao Koripalli	2.00	2.00
<b>Professional Charges for advisory services</b>		
Mr. Nageswara Rao Koripalli	1.00	1.00

**(c) Balance Outstanding at**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
a) Key managerial personnel		
<b>Remuneration</b>		
Mr. Chereddi Ramachandra Naidu	-	1.04
Mr. Srikanth Kodali	6.72	1.21
Mr. Brendon Thomas Pereira	-	0.97
Ms. Amreen Gulnaz	-	0.44

**Note No. 32 - Expenditure in Foreign Exchange**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
FOB value of Imports	-	-
Professional Fess	-	-
Other Expenses	-	-
<b>Total</b>	-	-

**Note No. 33 - Earnings in Foreign Exchange**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
FOB value of Exports	-	-
Dividend Income	-	-
<b>Total</b>	-	-

**Note No. 34 - Segment Reporting**

The Company concluded that there is only one operating segment i.e., Facility Management 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.

**Note No. 35 - Defined benefit Plan****(a) General description of the type of plan.**

The scheme provides for lump sum payment to vested employees at retirement, death during employment or termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs up on completion of five years' of continuous service with the Company.

**(b) Change in Present Value of Defined Benefit Obligation (Gratuity)**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Defined benefit obligation at the beginning	170.38	193.09
Interest cost	11.77	13.15
Adjustment	-	-
Current service cost	80.50	61.29
Benefits Paid	-0.56	
Actuarial/losses on obligation	-22.64	(97.15)
<b>Obligation at the end of the year</b>	<b>239.45</b>	<b>170.38</b>

**(c) Amount recognised in Profit & Loss Statement for defined benefit contribution plan (Gratuity)**

Net Gratuity Expenses	For the Period Ended	For the Period Ended March 31, 2021
Current service cost	80.50	61.29
Interest cost on benefit obligation	11.77	13.15
Premium Expenses	-	-
Expected Return on Assets	-	-
Net actuarial ( gain)/loss recognized in the year	-22.64	-97.15
<b>Net Employee benefit expense</b>	<b>69.63</b>	<b>(22.71)</b>

**(d) Amount recognised in Balance Sheet for defined benefit contribution plan (Gratuity)**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Defined Benefit Obligation	239.45	170.38
Fair value of plan assets	-	-
Net asset/Liability recognised in Balance sheet	239.45	170.38

**(e) The assumptions used in accounting for the Gratuity Plan are set out as below:**

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Discount rate	7.32%	6.91%
Retirement age	58	58
Salary escalation	5.00%	5.00%

**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.

**Note No. 36 - Income taxes**

Income tax Expense/(Benefit) recognised in the Statement of Profit and Loss Account

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Current Tax Expense	-	157.94
Deferred tax Expense	-	14.99
Deferred tax Expense Benefit	(148.57)	-
Total income tax Expense/(Benefit) recognised	-148.57	172.93

## Reconciliation of Effective Tax Rate

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Profit Before Income tax	98.77	814.72
Enacted tax Rate in India	25.17%	25.17%
Computed Expected Tax Expense/(Benefit)	24.86	205.05
<b>Tax Effect on</b>		
Expense Not deductible for tax Purpose	277.45	190.13
Expense deductible for tax Purpose	97.78	237.24
Others deductions	226.32	-
Income tax Expense/(Benefit)	(21.79)	157.94
<b>Effective tax rate</b>	-	<b>19.39%</b>

## Deferred tax Asset/Liabilities

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Deferred Tax Asset on 80JJAA	242.38	187.86
Deferred Tax Asset on Property,plant& equipment	130.62	81.21
Deferred Tax Asset on Right of Use Assets	16.41	-10.85
Deferred Tax Asset on Gratuity	54.57	42.88
Deferred Tax Asset on Others	0.16	0.16
<b>Deferred tax Assets/(Liabilities)</b>	<b>444.13</b>	<b>301.26</b>

## Note No. 37 - 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 arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and advances and financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. None of the financial instruments of the Company result in material concentrations of credit risks.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 11,172.62 Lakhs and 8006.06 Lakhs as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets

### Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including short term deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2022, and March 31, 2021, that defaults in payment obligations will occur.

### Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given in Note No 7. The age analysis has been considered from the due date

### 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.

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Company's Long term debt	1,171.80	1,736.81
Company long term debt that will mature in less than one year from the reporting period	451.48	285.96
	<b>38.53%</b>	<b>16.46%</b>

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

### As on 31.03.2022

Particulars	On Demand	1 to 5 years	More than 5 Years	Total
Long Term Borrowings	451.48	1,171.80	-	1,623.28
Other Financial Liabilities	993.38	-	-	993.38
Short Term Borrowings	6,347.19	-	-	6,347.19
Trade payables	236.00	-	-	236.00
Other current liabilities	950.64	-	-	950.64
Provisions	63.41	176.03	-	239.44

### As on 31.03.2021

Particulars	On Demand	1 to 5 years	More than 5 Years	Total
Long Term Borrowings	285.96	1,450.85	-	1,736.81
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	93.59	-	263.96

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.

### Note No. 38 - 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.

Particulars	For the year Ended March 31, 2022	For the year Ended March 31, 2021
Total Debt	7970.47	4729.24
Total Equity	5,354.39	5090.1
Debt to Equity Ratio	1.49:1	0.93:1

### Note No. 39 - Financial Instruments

Particulars	March 31, 2022		March 31, 2021	
	Fair Value	Carrying value	Fair Value	Carrying Value
Trade Receivable	9,240.72	9,240.72	6,384.58	6,384.58
Cash and cash Equivalents	106.06	106.06	282.37	282.37
Other Bank Balances	531.07	531.07	158.00	158.00
Other financial assets	1,294.77	1,294.77	1,181.12	1,181.12
<b>Total</b>	<b>11,172.62</b>	<b>11,172.62</b>	<b>8,006.06</b>	<b>8,006.06</b>
Borrowings	7,970.47	7,970.47	4,729.24	4,729.24
Trade Payables	236.00	236.00	402.11	402.11
Other financial Liabilities	993.38	993.38	746.85	746.85
<b>Total</b>	<b>9,199.85</b>	<b>9,199.85</b>	<b>5,878.20</b>	<b>5,878.20</b>

### Note No. 40 - Corporate Social Responsibility Expenses:

The CSR expenditure comprise of the following

- Gross Expenditure required to be spent during the Financial year 2021-22 is Rs. 18.8 lakhs and Rs 27.2 lakhs of Previous Financial Year 2020-21.

b. Amount spent during the year is given below

Particulars	For the Year Ended March 31,2022	For the Year Ended March 31,2021
Contribution to PM relief fund and to the state of Telangana under disaster management act		20.00
Contribution to NGO		5.00
Preventing Health care including preventive health care	6.82	2.20
Slum Area Development- Development of roads in slum areas	12.00	
<b>Total amount spent</b>	<b>18.82</b>	<b>27.20</b>

#### Note No. 41 - Contingent Liabilities :

The Following are the details of Contingent Liabilities

Particulars	For the Year Ended March 31,2022	For the Year Ended March 31,2021
Contingent Liabilities		
a. Claims against the Company/disputed liabilities Not acknowledged as debts	-	-
b. Guarantees		
Bank Guarantees	137.46	137.41

#### Note No. 42 - MSME Note

The following details relating to micro, small and medium enterprises shall be disclosed in the notes

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment ( which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest	-	-
Dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**Note :** The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company.

## Note No. 43 - Leases

### 1. Right of use Asset

Right of use Assets as at 31 Mar'2022

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2021	Additions	Deletions	As at March 31, 2022	As at April 01, 2021	Charge for the year	Deletion	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Building	523.08	228.91		751.99	156.92	159.63		316.56	435.43	366.16
<b>Total</b>	<b>523.08</b>	<b>228.91</b>		<b>751.99</b>	<b>156.92</b>	<b>159.63</b>		<b>316.56</b>	<b>435.43</b>	<b>366.16</b>

### 2. Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current	177.89	94.32
Non Current	322.72	314.95
<b>Total</b>	<b>500.62</b>	<b>409.27</b>

### 3. Interest Expense on Lease Liabilities

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest on Lease	60.29	50.32

### 4. Expense on short term lease / Low value Assets

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Short term lease	0.00	0.00

### 5. Other Notes

The weighted average incremental borrowing rate applied to lease liabilities is 11%

## Note No. 44 - Schedule III Requirements

Ratios as per the Schedule III requirements

Sl No	Particulars	FY 2021-22	FY 2020-21	%Change	Items Included in Numerator	Items Included in Denominator	Reason for change
1	Current Ratio (No of times)	1.47	1.78	-17.60%	Current Assets	Current Liabilities	
2	Debt Equity Ratio (No of times)	1.49	0.93	60.22%	Total Debt	Share holders Equity	Borrowings increased due to expansion of Business.
3	Return on Equity Ratio (No of times)	0.05	0.13	-64.70%	Net profit after tax	Average Shareholders's Equity	Increase in Manpower cost and Finance cost.
4	Trade Receivable Turnover Ratio (No of times)	3.48	3.32	4.82%	Credit Sales	Average trade receivables	

5	Inventory Turnover Ratio (No of times)	0.66	0.78	-15.46%	Raw Material consumed	Average Inventory	
6	Debt service coverage Ratio (No of times)	1.80	2.96	-38.94%	Earnings available for debt service	Interest on borrowings + Repayment of borrowings	Increase in Finance Cost and Increase in Borrowings.
7	Trade Payable turnover Ratio (No of times)	2.65	3.76	-29.52%	Cost of material Consumed	Average Trade Payable	Reduction in Trade payables.
8	Net Capital turnover Ratio (No of times)	6.28	5.02	25.18%	Revenue from Operations	Working capital	
9	Net Profit Ratio %	0.91%	3.01%	-69.8%	Net profit after tax	Revenue from Operations	Increase in Employee cost and Finance Cost.
10	Return on Capital employed	0.11	0.20	-44.07%	Earnings before interest and taxes(EBIT)	Capital Employed (pre cash)	Increase in Employee cost and Finance Cost.

#### Note No. 45 – Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

## Notice of the Annual General Meeting

Notice is hereby given that the Fourteenth (14<sup>th</sup>) Annual General Meeting (AGM) of the Shareholders of Kapston Services Limited (Formerly known as Kapston Facilities Management Limited) "Company" will be held on Friday, the 23<sup>rd</sup> Day of September, 2022 at 03.00 P.M. at the Corporate Office of the Company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 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, 2022 together with the Reports of the Board of Directors ('the Board') and Auditors thereon.

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

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Ms. Doddapaneni Kanti Kiran (DIN: 07420023), who retires by rotation and being eligible, offers herself for re-appointment as a Director.

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

"RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act, 2013, Ms. Doddapaneni Kanti Kiran (DIN: 07420023), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. Re-appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/S NSVR and Associates LLP, Chartered Accountants, (Firm Registration No.0008801S/S200060), be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the 14<sup>th</sup> Annual General Meeting (AGM) of the Company till the conclusion of the 19<sup>th</sup> Annual General Meeting (AGM) of the Company to be held in the year 2027 to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

**By order of the Board  
For Kapston Services Limited**

(Formerly known as Kapston Facilities Management Limited)

Sd/-

**Kalluru Manaswini**

Company Secretary and Compliance Officer

M.No. A56890

Place : Hyderabad

Date : August 10, 2022

### Registered Office

#### Kapston Services Limited

(Formerly known as Kapston Facilities Management Limited)

Plot No.287, MIG-2, IX Phase KPHB,

Kukatpally, Hyderabad- 500072.

CIN : L15400TG2009PLC062658

Email: [cs@kapstonservices.com](mailto:cs@kapstonservices.com)

Website: [www.kapstonfm.com](http://www.kapstonfm.com)

Contact : +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, Ms. Doddapaneni Kanti Kiran (DIN: 07420023), retire by rotation at the AGM.  
  
Details of Ms. Doddapaneni Kanti Kiran (DIN: 07420023), 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. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder and the MCA Circulars, the Notice calling the Annual General Meeting along with the Annual Report 2021-22 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company/RTA, unless the Members have requested for a physical copy of the same. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant. For any communication, the Members may also send requests to the Company's email ID: [cs@kapstonservices.com](mailto:cs@kapstonservices.com).
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kapstonfm.com](http://www.kapstonfm.com). The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. <https://www.evotingindia.com/>
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. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based

on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details.

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 in the Annual Report.

**By order of the Board  
For Kapston Services Limited**

(Formerly known as Kapston Facilities Management Limited)

Sd/-

**Kalluru Manaswini**

Company Secretary and Compliance Officer

M.No. A56890

Place : Hyderabad

Date : August 10, 2022

**Registered Office**

**Kapston Services Limited**

(Formerly known as Kapston Facilities Management Limited)

Plot No.287,MIG-2, IX Phase KPHB,

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Contact : +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 (Listing Obligations and Disclosure Requirements) 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 14<sup>th</sup> Annual General Meeting (AGM) to be held on Friday, the 23<sup>rd</sup> Day of September, 2022. 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 16, 2022 are entitled to vote on the resolutions set forth in this Notice.

The e-voting period begins on September 20, 2022 09:00 at A.M. and ends on September 22, 2022 at 05:00 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 <b>CDSL</b>	<ol style="list-style-type: none"><li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>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 &amp; 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.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li></ol>

Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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	Help desk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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](http://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](http://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"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details 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"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- 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 Services 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](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [raods7@gmail.com](mailto:raods7@gmail.com) and [cs@kapstonservices.com](mailto:cs@kapstonservices.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.

## General Instructions

- 1) 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 16, 2022.

- 2) The Scrutinizer, after scrutinizing 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](http://www.kapstonfm.com) and on the website of Stock Exchange (NSE).
- 3) The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

## 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	2021-22 (INR In Lakhs)	2020-21 (INR In Lakhs)
Turnover	27,277.78	21,342.30
Net Profit	247.34	641.79

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

**Annexure to Item 2 pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, information about the director who is seeking re-appointment by rotation:**

A	Name	Ms. Kanti Kiran Doddapaneni
	Directors Identification Number	07420023
B	<b>Brief Resume</b>	
	i) Age	42 Years
	ii) Qualification	Master's Degree in Arts from the University of Hyderabad
	iii) Experience (including expertise in specific functional area/Brief Resume)	14 Years of experience in Administration and Human Resources related Operation.
	iv) Date of initial appointment on the Board of the Company	January 11, 2018
C	Names of other companies in which he is acting as Director	Nil
D	Name(s) of companies in which committee Membership(s)/Chairperson held as on date	Nil
E	Shareholding in the Company	1,88,002 Equity Shares only
F	Relationships between other Directors Inter-se	Mr. Srikanth Kodali (spouse)

**Kapston Services Limited**  
(Formerly known as 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@kapstonservices.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 14<sup>th</sup> Annual General Meeting of the company held on Friday, the 23<sup>rd</sup> Day of September, 2022 at 03.00 P.M. at the Corporate Office of the Company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500034.

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

\*Applicable if shares are held in electronic form.

**Name & Address of the Shareholder**

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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.

## Kapston Services Limited

(Formerly known as 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@kapstonservices.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 Services 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 Services Limited**, hereby appoint

- 1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or falling him/her
- 2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or falling him/her
- 3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or falling him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 14<sup>th</sup> AGM of the company to be held on Friday, the 23<sup>rd</sup> Day of September, 2022 at 03.00 P.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)	
Ordinary Business		For	Against
1	To receive, consider and adopt the Audited financial Statements of the Company for the year ended March 31, 2022 together with the Reports of the Board of Directors ('the Board') and Auditors thereon.		
2	To appoint a Director in place of Ms. Doddapaneni Kanti Kiran (DIN: 07420023), who retires by rotation and being eligible, offers herself for re-appointment as a Director.		
3	Re-appointment of Statutory Auditors		

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

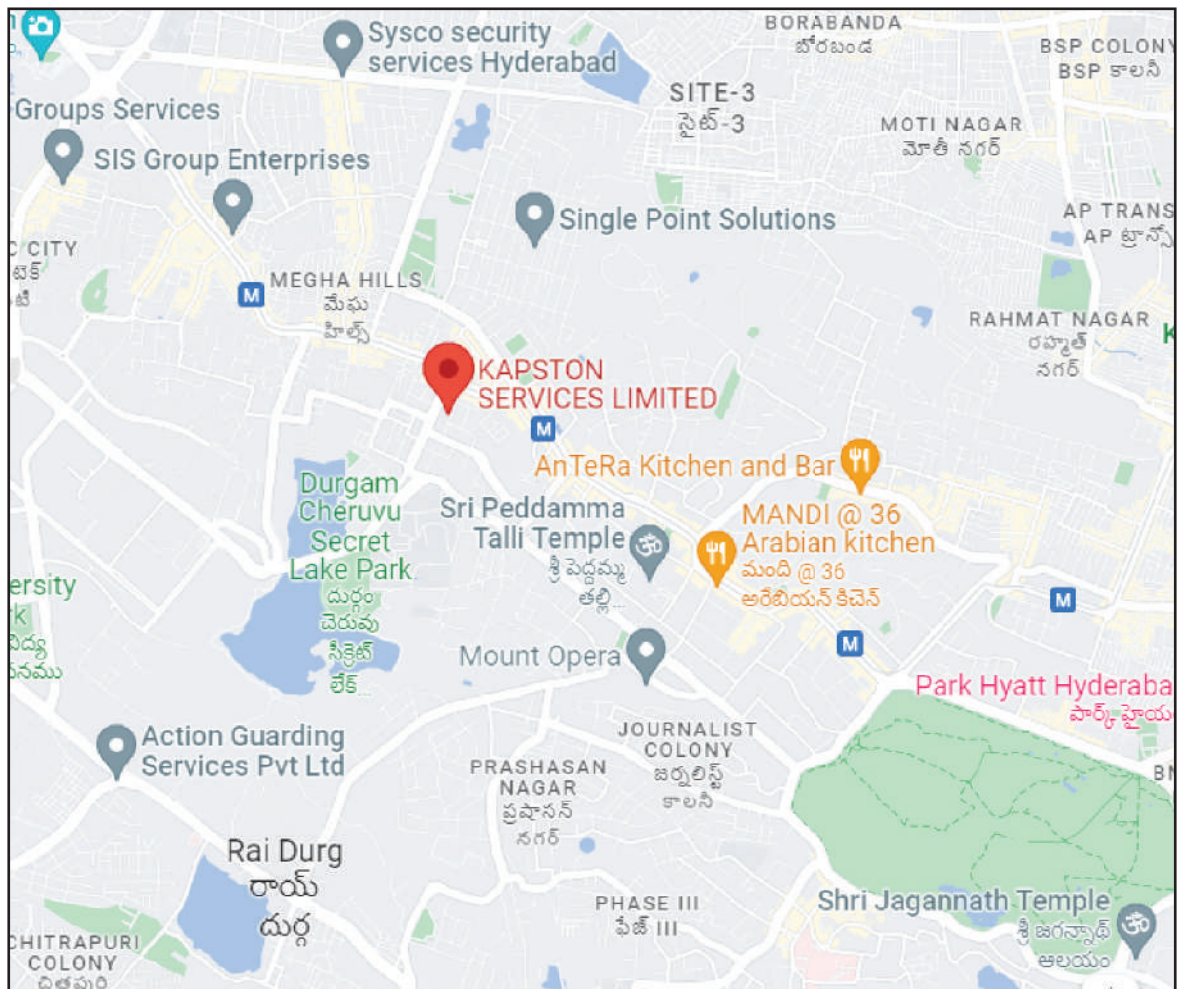
Signature of the shareholder: \_\_\_\_\_

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.

## ROUTE MAP OF ANNUAL GENERAL MEETING VENUE





(Formerly known as Kapston Facilities Management Limited)

**CIN : L15400TG2009PLC062658**

**Registered Office**

Plot No.287,MIG-2, IX Phase KPHB, Kukatpally, Hyderabad- 500072.  
Contact : +91 96 4050 4050

**Corporate Office**

Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034  
Ph : +91 98487 78243 / +91 96405 04050 | E-mail: [cs@kapstonservices.com](mailto:cs@kapstonservices.com)  
Website: [www.kapstonservices.com](http://www.kapstonservices.com) / [www.kapstonfm.com](http://www.kapstonfm.com)