

## NOTICE

NOTICE is hereby given that the 8<sup>th</sup> Annual General Meeting of the members of **M/s. KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**, will be held on Friday, 30<sup>th</sup> September, 2016 at 11.30 AM at the Registered Office of the Company at Plot No.287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad - 500072, Telangana, to transact the following Ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016, and the Report of the Directors and Auditors thereon.
2. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, and pursuant to the resolution passed by the members at the Annual General Meeting held on 27.09.2014, the appointment of M/s. P.Samba Murthy and Co., Chartered Accountants, FRN:006207S, as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held for the Financial Year 2018-2019, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable to the Statutory Auditors, in connection with the Statutory Audit for the financial year ending 31.03.2017, after due consultation with the auditors.

**// BY ORDER OF THE BOARD //**

**For KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**



*[Signature]*

**SRIKANTH KODALI**  
DIRECTOR, DIN - 02464623

*[Signature]*

**RADHA KRISHNA PINNAMANENI**  
DIRECTOR, DIN - 03324910



Place: Hyderabad

Date: 03.09.2016

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/HERSELF TO ATTEND AND VOTE THERE AT AND SUCH PROXY NEED NOT BE A MEMBER.
2. The Instrument appointing the proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. The Report of the Auditors, and the Statutory Registers pursuant to Section 170 (1) and 189 (1) of the Companies Act, 2013, will be available for inspection of the members at the Annual General Meeting.

## BOARD'S REPORT TO THE SHARE HOLDERS

Your Directors have utmost pleasure in presenting the 8<sup>th</sup> Annual Report of your Company along with the Audited Financial Statements, for the year ended 31<sup>st</sup> March 2016.

### OPERATIONS AND FINANCIAL PERFORMANCE OF THE COMPANY:

The financial performance of the Company for the year ending 31<sup>st</sup> March, 2016, in comparison with the previous year, is as follows:

Particulars	FY 2015 – 2016 (Amount in Rs.)	FY 2014 – 2015 (Amount in Rs.)
Revenue from Operations	70,27,38,022	57,35,64,036
Grants received from Ministry of Rural Development and Govt. of India for Skill Projects	4,68,23,245	1,52,72,371
Other Income	3,81,527	2,36,706
Total Expenditure	71,47,69,006	55,90,25,743
Profit/(Loss) before tax	3,51,73,888	3,00,47,369
<b>Less:</b>		
Income Tax	1,04,15,353	90,09,405
Mat Credit Entitlement	9,71,374	8,26,613
<b>Profit/(Loss) for the Year</b>	<b>2,57,29,909</b>	<b>2,17,83,576</b>

During the year under review, your company has shown excellent results, in comparison with the previous year. Your Directors are making incessant efforts and all possible steps to minimize expenditure, tap various business opportunities and are confident of achieving better turnover as well as profits in the years to come.

### FUTURE OUTLOOK:

Our future focus is to develop the company in providing wide range of services and stronger relationships with customers and to improve market position through widening our reach geographically and diversification of the services. All our activities are driven by our mission of maximizing wealth creation for shareholders, value creation for all our stakeholders, and to serve the society as a whole.

### DIVIDEND:

Your Directors intend to plough back the profits and accordingly, regret for not recommending any dividend for the year under review, and very much hopeful of declaring dividends in the coming years.

### TRANSFER TO RESERVES:

During the Financial Year under review, no amounts are proposed to be carried/transferred to the reserves.

### **CHANGE IN THE NATURE OF BUSINESS:**

During the financial year under review, there has been no change in the nature of business.

### **DIRECTORS / KEY MANAGERIAL PERSONNEL:**

During the year, there was no change in the constitution of the Board of Directors.

### **MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes from the end of the financial year till the date of this report, affecting the financial position of the Company.

### **EXTRACT OF ANNUAL RETURN:**

The extract of the annual return to be provided pursuant to Section 134 (3) (a) of Companies Act, 2013, in form MGT-9, pursuant to Section 92(3) read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, is attached herewith as **Annexure-1**.

### **MEETINGS OF THE BOARD:**

Pursuant to the provisions of Section 173 of the Companies Act, 2013, during the financial year 2015 - 2016 (01.04.2015 to 31.03.2016), the Board of Directors duly met 13 (Thirteen) times as below:

Sl. No.	Board Meeting Date	Total Number of Directors	
		as on the date of Board Meeting	who attended the Board Meeting.
1.	09.04.2015	2	2
2.	11.04.2015	2	2
3.	05.05.2015	2	2
4.	25.06.2015	2	2
5.	24.07.2015	2	2
6.	31.08.2015	2	2
7.	10.09.2015	2	2
8.	30.09.2015	2	2
9.	20.10.2015	2	2
10.	01.12.2015	2	2
11.	11.12.2015	2	2
12.	12.02.2016	2	2
13.	30.03.2016	2	2

In respect of above meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **INDEPENDENT DIRECTORS:**

The Company being a Private Company, is not required to appoint Independent Directors on its Board, and accordingly, the declaration pursuant to Section 149 (7) of the Companies Act, 2013, required to be obtained from an Independent Director that





he meets the criteria of Independence as provided in Section 149(6) is not applicable to the Company.

**NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company being a Private Company, the provisions of Section 178 of the Companies Act, 2013, are not applicable to the Company, and accordingly, the disclosures as per Section 134 (3) (e) of the Act, are not required to be made.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Information pursuant to Section 134 (3) (g) of the Act, as to the Loans given, Guarantees given or Security Provided and Investments made by the Company pursuant to Section 186 of the Act, are as below:

(i) **Loans given:**

Sl. No.	Name and Address of the person	Amount of Loan	Other terms	Approval of Members, if any.
NIL				

(ii) **Guarantees given or Security provided:**

Sl. No.	Name and Address of the person to whom Guarantee Given or Security provided	Amount of Guarantee / Security and other terms	Name of the person in whose favour Guarantee/ Security was provided	Approval of Members, if any.
NIL				

(iii) **Investments made:**

Sl. No.	Nature of Investment, Name and address of the Investee entity	Amount of Investment and other terms, if any,	Approval of Members, if any.
NIL			

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There were no Contracts or arrangements with related parties, accordingly, the Information pursuant to Section 134 (3) (h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended from time to time, relating to the particulars of contracts or arrangements with related parties referred to section 188 (1) are not applicable.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The Information pursuant to Section 134 (3) (m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, is provided hereunder:



**A: Conservation of Energy:****(i) The steps taken or impact on conservation of energy:**

The Company has been continuously making efforts to reduce energy consumption. The management is striving to achieve cost reduction by economical usage of energy.

**(ii) The steps taken by the Company for utilising alternate sources of energy:**

The Management is not of the opinion of using any alternate sources of energy, in view of the cost of the Infrastructure.

**(iii) The capital investment on energy conservation equipment:**

The same may be treated as **NIL**.

**B. Technology Absorption:**

(i)	The efforts made towards Technology absorption	:	NOT APPLICABLE
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	:	
(iii)	In case of Imported Technology (imported during the last three years reckoned from the beginning of the financial year)  (a) The detail of technology imported (b) The year of import (c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	:	
(iv)	The expenditure incurred on Research and Development.	:	

**C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings : NIL  
Foreign Exchange Outgo : NIL

**DEPOSITS:**

During the financial year under review, your Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.



### **RISK MANAGEMENT POLICY:**

Your Board of Directors are in the process of developing and putting in place a risk management policy to mitigate the risks of doing business. The Directors will review the business conditions from time to time and take necessary steps to make suitable changes, so as to overcome the risks.

### **CORPORATE SOCIAL RESPONSIBILITY [CSR]:**

The provisions of Section 135 of the Act, are not applicable to the Company, as none of the threshold limits as prescribed in the Section were breached, and accordingly, the question of providing the information does not arise.

### **STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the members of the Company, at the 6<sup>th</sup> Annual General Meeting for the Financial Year 2013 - 2014 held on 23<sup>rd</sup> day of September, 2014 had appointed M/s P. Samba Murthy & Co., Chartered Accountants as Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of 6<sup>th</sup> AGM till conclusion of the 11<sup>th</sup> AGM to be held in the Financial Year 2018-2019, subject to ratification of their appointment at every AGM.

Pursuant to first proviso to Section 139(1), the matter relating to appointment shall be placed before every AGM for ratification by the members. Accordingly, the resolution for appointment of M/s. P. Samba Murthy, Chartered Accountants, as Statutory Auditors for the FY 2016 - 2017, is placed before the members for ratification.

### **PARTICULARS OF EMPLOYEES:**

The management and employees' relationship has been very cordial throughout the year. There are no employees, drawing remuneration in excess of the limits for which disclosures are required to be made pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **FRAUDS REPORTED BY THE AUDITORS:**

There are no frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government, and accordingly, the information pursuant to Section 134 (3) (ca) of the Companies Act, 2013, as amended vide Companies Amendment Act, 2015 [No.21 of 2015], may be treated as NIL.

### **ESTABLISHMENT OF VIGIL MECHANISM:**

The threshold limits, as laid down under Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, for establishment of Vigil Mechanism, have not been breached by the Company, accordingly, establishing of vigil mechanism for their directors and employees to report their genuine concerns or grievances, is not applicable to the company.

However, the Employees and Directors of the Company have been provided with due access to report their genuine concerns or grievances to the Board of Directors.



### **EXPLANATIONS/COMMENTS/REPLIES BY THE BOARD:**

Explanations / Comments / Replies by the Board of Directors on every qualification, reservation or adverse remark or disclaimer made by:

(I) **The Auditor in their report:** There are no qualifications.

(II) **The Company Secretary in practice in his Secretarial Audit Report:**

The Company being a Private Company, it is not required to obtain a Secretarial Audit Report from a Company Secretary in Practice, pursuant to Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors of your Company hereby state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the **Profit** of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and their irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to Financial Statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all aspects are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all the transactions are authorised, recorded and reported correctly.

### **ISSUE OF SHARES WITH DIFFERENTIAL VOTING RIGHTS:**

The information pursuant to Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014, as to the number of Equity shares with differential Voting Rights were issued and allotted during the Financial year, is not applicable, as no such shares were issued.





### **SWEAT EQUITY SHARES:**

The Disclosure/Information, pursuant to Rule 8 (13) of The Companies (Share Capital and Debentures) Rules, 2014, relating to Sweat Equity Shares issued during the year, is not applicable, since no Sweat Equity Shares were Issued during the Year.

### **EMPLOYEES STOCK OPTIONS SCHEME (ESOPS):**

The Disclosure relating to ESOPS granted, vested, exercised, lapsed and other information, pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable, since there are no ESOP Schemes in the Company.

### **OTHER DISCLOSURES:**

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

There were no complaints received/pending pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, and accordingly the disclosure/Information pursuant Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, may be treated as **NIL**.

### **ACKNOWLEDGEMENTS:**

The Board wishes to place on record their sincere appreciation of the Co-operation and support extended by the members, employees, Bank, clients and various Government organizations.

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**// FOR AND ON BEHALF OF THE BOARD //**  
**For KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**



**SRIKANTH KODALI**  
**DIRECTOR, DIN - 02464623**



**RADHA KRISHNA PINNAMANENI**  
**DIRECTOR, DIN - 03324910**

Place: Hyderabad  
Date: 03.09.2016



**FORM MGT-9**  
**EXTRACT OF ANNUAL RETURN AS ON**  
**THE FINANCIAL YEAR ENDED 31.03.2015**

**I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN	:	U15400TG2009PTC062658
(ii)	Registration Date	:	31.01.2009
(iii)	Name of the Company	:	KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED
(iv)	Category/Sub-Category of the Company	:	Company Limited by Shares/ Indian Non-Government Company
(v)	Address of the Registered office and contact details	:	PLOT NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY HYDERABAD - 500072, TELANGANA. Contact No.: +91-9640504050 Fax: -- E-mail: <a href="mailto:info@kapstonfm.com">info@kapstonfm.com</a>
(vi)	Whether Listed Company	:	Yes/ No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	:	NOT APPLICABLE

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

All the business activities contributing 10% or more of the total turnover of the company are as below:

Sl. No.	Name and description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	House Keeping Services	8110	29.48 %
2.	Security Services	8010	70.04 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/ GLN/ Regn. No.	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section
NOT APPLICABLE					



**IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity):**

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a. Individual/ HUF	-	5,00,000	5,00,000	100	-	5,58,734	5,58,734	100*	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>		5,00,000	5,00,000	100	-	5,58,734	5,58,734	100	-
<b>2. Foreign</b>									
a. NRI- Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A1+A2)</b>	-	5,00,000	5,00,000	100	-	5,58,734	5,58,734	100*	-

\* The increase of shareholding is on account of issue of shares during the financial year.



B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/ FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FII's	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total- (B) (1)	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a. Bodies Corporate									
- Indian	-	-	-	-	-	-	-	-	-
- Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c. Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,00,000	5,00,000	100	-	5,58,734	5,58,734	100*	--

\* The Increase of shareholding is on account of issue of shares during the financial year.





## II) Shareholding of Promoters:

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. SRIKANTH KODALI	4,50,000	90 %	--	5,08,734	91 %	--	1%*
2.	Mr. RADHA KRISHNA PINNAMANENI	50,000	10 %	--	50,000	9 %	--	-1 %*
	TOTAL	5,00,000	100	--	5,58,734	100	--	--

\* The Change in the promoters shareholding is on account of issue of shares during the financial year.

## iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	5,00,000	100	5,00,000	100
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Changes as per table Iii(a)			
		--			
3.	At the End of the year	5,58,734	100	5,58,734	100

\* The Change in the promoters shareholding is on account of issue of shares during the financial year.





iii (a) : Change in Promoters' Shareholding:

Sl. No	Shareholding at the beginning of the year	Changes during the year		Shareholding at the End of the year
		Date	Particulars / Details as to the Change	
1.	5,00,000	05.05.2015	Allotment of 58,734 Equity Shares to Mr. Srikanth Kodali.	5,58,734

iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. ....				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for Increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	NOT APPLICABLE			
	At the End of the year (or on the date of separation, if separated during the year)				



v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Particulars to be provided for each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Srikanth Kodali, Director</b>				
	At the beginning of the year	4,50,000	90 %	4,50,000	90 %
	Date wise Increase / (Decrease) in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	58,734	10.51	58,734	10.51
	<u>Allotment of Rights shares on 05.05.2015</u>				
	At the End of the year	508,734	91 %	508,734	91 %

2.	<b>Mr. Radha Krishna Pinnamaneni, Director</b>				
	At the beginning of the year	50,000	10 %	50,000	10 %
	Date wise Increase / (Decrease) in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the year	50,000	9 %*	50,000	9 %*

\* The Change in the shareholding is on account of issue of shares during the financial year.



**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for Payment:**

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year:</b>				
1. Principal Amount	64024165	48711699	NIL	112735864
2. Interest due but not paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (1+2+3)</b>	<b>64024165</b>	<b>48711699</b>	<b>NIL</b>	<b>112735864</b>
<b>Change in Indebtedness during the financial year:</b>				
<b>Addition</b>	75356299	59958656	NIL	135314955
<b>Reduction</b>	11332134	11246957	NIL	22579091
<b>Net Change</b>	64024165	48711699	NIL	112735864
<b>Indebtedness at the end of the financial year:</b>				
1. Principal Amount	64024165	48711699	NIL	112735864
2. Interest due but not paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (1+2+3)</b>	<b>64024165</b>	<b>48711699</b>	<b>NIL</b>	<b>112735864</b>



# **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

A-I

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		MD	WTD	Manager	
	<b>Name</b>	<b>Not Applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>	
1	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	--	--	--	--
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	--	--	--	--
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- Others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (A-I)	--	--	--	--
	Ceiling as per the Act	NA	NA	NA	NA

*Cones*

**A-II**






Sl. No.	Particulars of Remuneration	Name of Executive Director			Total Amount
		ED	ED	ED	
	Name	Mr. Srikanth Kodali	NOT APPLICABLE	NOT APPLICABLE	
1	Gross salary				
	d. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	42,00,000	--	--	42,00,000
	e. Value of perquisites u/s 17(2) Income Tax Act, 1961	--	--	--	--
	f. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- Others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (A-II)	42,00,000	--	--	42,00,000
	Total (A-I + A-II)	<b>42,00,000</b>	--	--	<b>42,00,000</b>
	Ceiling as per the Act	NA	NA	NA	NA



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors</b>					
	Fee for attending board / committee meetings		NOT APPLICABLE			
	Commission					
	Others, please specify					
	<b>Total (1)</b>					
2	<b>Other Non-Executive Directors</b>					
		Mr. Radha Krishna Pinnamaneni	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	
	Fee for attending board / committee meetings	NIL	--	--	--	--
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	<b>Total-(2)</b>	--	--	--	--	--
	<b>Total-B (1+2)</b>	NIL	--	--	--	--
	<b>Total Managerial Remuneration (A+B)</b>					<b>42,00,000</b>
	<b>Overall Ceiling as per the Act</b>	NA	NA	NA	NA	NA



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sl. No.	Particulars of Remuneration	Name of the KMP, Designation			Total Amount
		CEO	CS	CFO	
1	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	Value of perquisites u/s 17(2) Income Tax Act, 1961	NOT APPLICABLE			
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- Others, specify...				
5	Others, please specify				
Total					



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, If any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment		<b>NOT APPLICABLE</b>			
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment		<b>NOT APPLICABLE</b>			
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment		<b>NOT APPLICABLE</b>			
Compounding					

**// FOR AND ON BEHALF OF THE BOARD //**  
**For KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**



**SRIKANTH KODALI**  
**DIRECTOR, DIN - 02464623**



**RADHA KRISHNA**  
**PINNAMANENI**  
**DIRECTOR, DIN - 03324910**

Place: Hyderabad  
 Date: 03.09.2016



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**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED.**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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.

**3. Auditor's Responsibility**

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 thereunder.

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 our 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, we consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



#### 4. Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

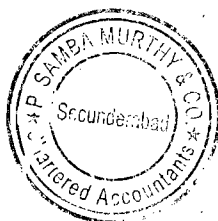
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act have been prepared by us and have been properly dealt with by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) There is nothing to disclose which is having adverse effect on the functioning of the company.
- g) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to Investor Education and Protection Fund.

for P SAMBA MURTHY AND COMPANY  
Chartered Accountants  
FRN:006207S



*psambamurthy*

SAMBA MURTHY PACHCHALLA  
Membership No:202338

Place : SECUNDERABAD  
Date : 03/09/2016



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**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2016.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company is a service company, primarily rendering Security & Cleaning Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Thus, provision of this paragraph are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are no transaction falling under section 185 and 186 of the Act. Thus, provision of this paragraph are not applicable to the company.

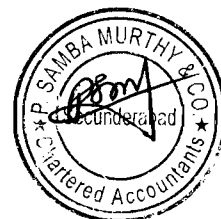




5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

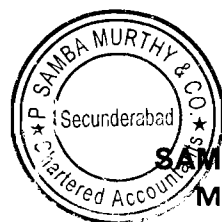
- (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.





14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : **SECUNDERABAD**  
Date : **03.09.2016**



for **P SAMBA MURTHY AND COMPANY**  
**Chartered Accountants**  
**FRN:006207S**

*psambamurthy*

**SAMBA MURTHY PACHCHALLA**  
**Membership No:202338**

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**BALANCE SHEET AS ON 31ST MARCH, 2016**

Amount in (Rs.)

Particulars	Notes	As at 31.03.2016	As at 31.03.2015
<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>1. Share holders funds</b>			
a) Share Capital	3	5,587,340	5,000,000
b) Reserves & Surplus	4	70,389,688	39,961,059
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non-current Liabilities</b>			
a) Long Term Borrowings	5	54,360,365	22,579,091
b) Deferred Tax Liability (Net)		-	-
<b>4. Current Liabilities</b>			
a) Short Term Borrowings	6	58,375,499	-
b) Trade Payables	7	12,863,697	7,724,407
c) Other Current Liabilities	8	113,323,280	102,442,629
d) Short Term Provisions	9	10,415,353	9,090,405
<b>TOTAL</b>		<b>325,315,221</b>	<b>186,797,591</b>
<b><u>ASSETS:</u></b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	10	31,157,554	14,012,349
b) Deferred Tax Asset(Net)	11	2,026,022	1,054,648
<b>2. Current Assets</b>			
a) Inventories		1,138,227	-
b) Trade Receivables	12	133,825,225	106,578,533
c) Cash and Cash Equivalents	13	41,780,934	42,198,448
d) Other Current Assets	14	39,226,035	21,878,396
e) Short Term Loans and Advances	15	76,161,226	1,075,217
<b>TOTAL</b>		<b>325,315,221</b>	<b>186,797,591</b>

**Notes on Accounts & Significant accounting policies 1 & 2**

As per our report of even date  
**FOR P.SAMBA MURTHY & CO.,**  
**CHARTERED ACCOUNTANTS.**  
**FRN : 006207S**

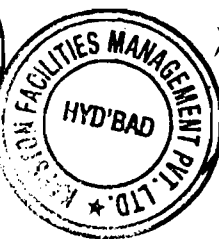
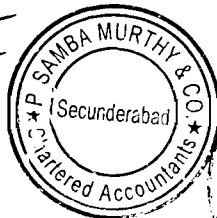
*psambamurthy*  
**(P.SAMBA MURTHY)**  
**PROPRIETOR**  
**MNO : 202338**

**PLACE: SECUNDERABAD**  
**DATE: 03.09.2016**

On Behalf of the Board  
**M/S.KAPSTON FACILITIES**  
**MANAGEMENT PRIVATE LIMITED**

*Corelli*  
**DIRECTOR**

*[Signature]*  
**DIRECTOR**



**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016:**

(Amount in Rs.)

PARTICULARS	NOTES	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
<b>Income:</b>			
Revenue From Operations	16	702,738,022	573,564,036
Grants Received from Ministry of Rural Development and Government of India for DDU-GKY Skill Projects	17	46,823,345	15,272,371
Other Income	18	381,527	236,706
<b>Total Revenue</b>		<b>749,942,894</b>	<b>589,073,112</b>
<b>Expenses:</b>			
Consumables in Stock		(1,138,227)	
Expenses for Grants received from Ministry of Rural Development and Govt. of India for Skills Projects	19	46,823,345	15,272,371
Employee Benefits	20	588,038,934	462,433,258
Finance costs	21	10,232,042	2,363,818
Depreciation	10	8,477,004	6,201,001
Other Expenses	22	62,335,908	72,755,295
<b>Total Expenditure</b>		<b>714,769,006</b>	<b>559,025,743</b>
Profit/(Loss) for the year		35,173,888	30,047,369
<b>Tax Expense</b>			
Less: Current Tax		10,415,353	9,090,405
Add: Deferred Tax Asset		971,374	826,613
Profit/(Loss) after tax		<b>25,729,909</b>	<b>21,783,576</b>
<b>Earnings Per Equity share</b>			
(1) Basic		51.46	43.57
(2) Diluted		51.46	43.57

**Notes on Accounts & Significant accounting policies 1 & 2**

As per our report of even date  
**FOR P.SAMBA MURTHY & CO.,**  
**CHARTERED ACCOUNTANTS.**  
**FRN : 006207S**

*psambamurthy*  
**(P.SAMBA MURTHY)**  
**PROPRIETOR**  
**MNO : 202338**

**PLACE: SECUNDERABAD**  
**DATE: 03.09.2016**



**On Behalf of the Board**  
**M/S.KAPSTON FACILITIES**  
**MANAGEMENT PRIVATE LIMITED**



*Correspond*  
**DIRECTOR**  
*[Signature]*  
**DIRECTOR**

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**No.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD**  
**CASH FLOW STATEMENT AS ON 31.03.2016**

Particulars	2016			2015		
	Amount in Rs.			Amount in Rs.		
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>						
<b>Net Profit before Tax</b>		35173888			30047369	
Adjustments for :						
Add : Expenses:						
Depreciation	8477004			6201001		
Interest Paid	10232042	18709046		7992601	14193602	
		53882934			44240971	
Less: Incomes:						
Interest Received on Deposits	235360			236706		
Interest on IT Refund	146167	381527		0	236706	
<b>Operating Profit before working capital Changes</b>		53501407			44004265	
Increase/Decrease in Creditors	5139289			2057508		
Increase/Decrease in other C.L.	10880651			40848932		
Increase/Decrease in Receivables	-27246691			-23951054		
Increase/Decrease in Inventories	-1138227					
Increase/Decrease in other C.A.	-17347639			-9389950		
Increase/Decrease in short Term loans and advances	-75086007	-104798624		-84644	9480792	
<b>Operating Profit before tax and extraordinary items</b>		-51297217			53485057	
Less: Income Tax paid		9090405			4421967	
<b>Net cash flow from Operating Activities I</b>			-60387622			49063090
II. Cash Flow from Investing Activities						
Additions to fixed Assets (not deletions)		-25622209			-5275157	
Interest income		381527			236706	
<b>Net cash flow from Investing Activities II</b>			-25240682			-5038451
<b><u>III. Cash from financing activities:</u></b>						
Increase in Share Capital		587340				
Increase in Share Securities Premium		4698720				
Proceeds of short term/long term borrowings		90156773			3934715	
Interest		-10232042			-7992601	
<b>Net cash flow from financing activities III</b>			85210791			-4057886
<b>Increase in cash and cash equivalents(I+II+III)</b>			-417513			39966753
Cash and cash equivalent at the beginning of the year						
Cash and Bank			42198448			2231696
Closing cash and cash equivalent at the end of the year			41780934			42198448

**As per our report of even date**  
**FOR P.SAMBA MURTHY & CO.,**  
**CHARTERED ACCOUNTANTS**  
**FRN : 006207S**

*P. Samba Murthy*  
**(P.SAMBA MURTHY)**  
**PROPRIETOR**  
**MNO : 202338**



**On Behalf of the Board**  
**M/S.KAPSTON FACILITIES**  
**MANAGEMENT PRIVATE LIMITED**

*[Signature]*  
**DIRECTOR**  
*[Signature]*  
**DIRECTOR**

**PLACE: SECUNDERABAD**  
**Date : 03/09/2016**



# KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED

## Significant Accounting Policies and Notes to Accounts

### 1. Basis of Accounting

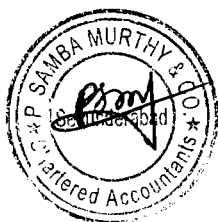
The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

### 2. Inventories

The Company is a service company primary rendering Security and Housekeeping Services. It maintains inventory under Housekeeping Services which are valued at the lower of cost (weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

### 3. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, provision for income taxes, retirement benefits, the useful lives of fixed assets and intangible assets. Actual results could differ from such estimates.



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director

For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director

#### 4. Revenue Recognition

Revenue is recognized as per the Accounting Standard-9.

#### 5. Government Grants

During the Financial year The Company has received Grants Received from Ministry for Rural Development and Government of India for undertaking Skill Projects. The same were utilized by the Company as per the Norms Specified by the Ministry for Rural Development and Government of India and as per the Accounting Standard-12.

#### 6. Fixed Assets & Depreciation

Fixed Assets are accounted at cost of acquisition inclusive of other related expenses on such acquisition. They are stated at cost less accumulated depreciation.

Depreciation on fixed assets is provided on a pro-rata basis using WDV method at rates as per Schedule II to the Companies Act 2013.

#### 7. Investments

The Company does not have any Long term Investments.

#### 8. Borrowing Cost

Interest is recognised as an expense as and when it is due for payment.

No amount of Interest has been capitalised during the year. The amount of Borrowing Cost recognised in the statement of Profit & Loss is Rs. 86,68,451/-



For Kapston Facilities Management Pvt. Ltd.

Director

For Kapston Facilities Management Pvt. Ltd.

Director

## 9. Taxation

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

## 10. Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The basic EPS for the year is Rs- 51.46/-. During the financial year there are no securities outstanding which are dilutive in nature.

## 11. Provisions & Contingencies

The company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow. A disclosure of contingent liability will be made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. No disclosure will be made if the possibility of outflow is remote.



For Kapston Facilities Management Pvt. Ltd.

A handwritten signature in black ink.

Director

For Kapston Facilities Management Pvt. Ltd.

A handwritten signature in black ink.

Director

## 12. Payment to Auditors

Particulars	Current Year (Amount in Rs.)
As auditor	2,50,000
For taxation matters	NIL
For company law matters	NIL
For management services	NIL
For other services	NIL
For reimbursement of expenses	NIL

## 13. Previous Year Figures

Previous year figures have been regrouped/ rearranged wherever necessary

For **P.SAMBAMURTHY & Co.,**

**Chartered Accountants**

**FRN: 006207s**

*psambamurthy*

**(P.Samba Murthy)**

**Proprietor**

**Membership No.202338**



For **Kapston Facilities Management Pvt. Ltd.**

*[Signature]*

**Director**

For **Kapston Facilities Management Pvt. Ltd.**

*[Signature]*

**Director**

**Place: Hyderabad**

**Date: 03rd September, 2016**



**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Notes on Accounts**

**Note 3 - Share Capital**

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised Share Capital</b>		
5,00,000 Equity Shares of Rs. 10/- each		5,000,000
20,00,000 Equity Shares of Rs. 10/- each	20,000,000	
<b>Issued Subscribed &amp; fully Paidup Capital</b>		
5,00,000 Equity Shares of Rs. 10/- each		5,000,000
5,58,734 Equity Shares of Rs. 10/- each	5,587,340	
<b>Total</b>	<b>5,587,340</b>	<b>5,000,000</b>

**The Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period is set out below**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of shares	Amount(Rs.)	No of shares	Amount(Rs.)
<b>Shares outstanding :</b>				
At the beginning of the year	500,000	5,000,000	500,000	5,000,000
Issued during the year	58,734	587,340	-	-
<b>Shares outstanding at the end of the year</b>	<b>558,734</b>	<b>5,587,340</b>	<b>500,000</b>	<b>5,000,000</b>

**The details of shareholders holding more than 5% of equity shares along with no of Equity Shares held is set below**

Name of the Share holder	As at 31.03.2016		As at 31.03.2015	
	No.of shares held	(%) of holding	No.of shares held	(%) of holding
Srikanth Kodali	508,734	91%	450,000	90%
Radha Krishna Pinnamaneni	50,000	9%	50,000	10%

The company has only one class of equity shares having a par value of Rs. 10/- per share



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*

Director

For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Notes on Accounts (Continued)**

**Note 4 - Reserves and Surplus**

**Amt. in Rs.**

<b>Balance in Statement of Profit and Loss</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b><u>Profit &amp; Loss Account</u></b>		
Opening Balance	39961059	18228640
Add: Current Year Profit	25729909	21783577
Less: Transitional Adjustment on Fixed asset	0	51158
	65690968	39961059
<b><u>Securities Premium</u></b>		
Opening Balance	0	0
Add: Addition during the Year	4698720	0
Less: Share Issue Expenses	0	0
	4698720	0
<b>Total</b>	<b>70389688</b>	<b>39961059</b>

**Note 5 - Long term borrowings (refer Note No.5.1)**

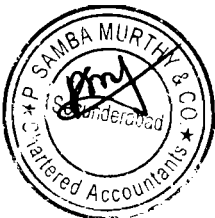
**Amt. in Rs.**

<b>Particulars</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>a)Term Loans from Banks &amp; Financial Institute</b>		
Secured	28564089	11332134
Unsecured	23863276	8824246
<b>b)Loans and Advances from related parties</b>		
Unsecured	1933000	2422711
<b>Total</b>	<b>54360365</b>	<b>22579091</b>

**Note 6 - Short term borrowings (refer Note No.6.1)**

**Amt. in Rs.**

<b>Particulars</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>a)Term Loans from Banks &amp; Financial Institute</b>		
Secured	35460076	0
Unsecured	22915423	0
<b>b)Loans and Advances from related parties</b>		
Unsecured	0	0
<b>Total</b>	<b>58375499</b>	<b>0</b>



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*

Director

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*[Signature]*

Director

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Notes on Accounts (Continued)**

**Note 7 - Trade Payables**

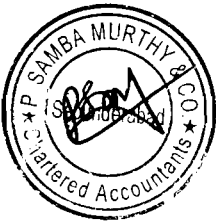
**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables for supplies	12863697	7724407
<b>Total</b>	<b>12863697</b>	<b>7724407</b>

**Note 8 - Other Current liabilities**

**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
Consultancy charges payable	63360	97776
ESI Payable	1425760	1087634
PF Payable	9402793	6415332
PT Payable	10600	9150
Rent Payable	71738	65395
Salaries payable	3846934	3121101
Director Remuneration Payable	267150	0
TDS Payable	352055	348284
Wages payable	42286876	46120860
Service tax payable	37650779	16631249
Swatch Bharat Cess	1371837	0
Other Provisions	668884	381809
Grants Received in Advance -Sub-schedule	11703378	26574230
Expenses Payable of Projects -Sub-Schedule	4201136	1589809
<b>Total</b>	<b>113323280</b>	<b>102442629</b>



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director

For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Notes on Accounts (Continued)**

**Note 9 - Short term Provisions**

**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for tax	10415353	9090405
<b>Total</b>	<b>10415353</b>	<b>9090405</b>

**Note 11 Deferred Tax Asset**

**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
Opening Balance	1054648	228035
Add/(Less): Deferred Tax(Asset)/Liability	971374	826613
<b>Total</b>	<b>2026022</b>	<b>1054648</b>

**Note 12 Trade Receivables**

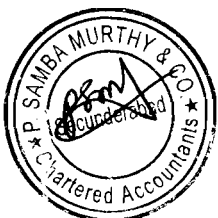
**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good</b>		
Trade receivables o/s for a period not exceeding 6 months from the due date	133825225	106578533
<b>Total</b>	<b>133825225</b>	<b>106578533</b>

**Note 13 Cash and Cash Equivalents**

**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Cash in hand	2280600	71895
(b) Balances with banks		
-IDBI Bank Kukatpally	23105	158549
-IDBI Bank BanjaraHills	310	310
-Karur Vysya Bank	8190432	13800606
-HDFC Bank	-21348	399035
-Karur Vysya Bank NSDC	3004502	9791
-State Bank of India	178131	-118514
-Canara Bank	14712025	0
-UCO Bank - Odisha Project	3149564	1662079
-HDFC Bank-Karnataka Project	417466	4719785
-State Bank of India-Assam Project	373429	9109447
-Federal Bank - Kerala Project	1746295	12385467
-Canara Bank - Maharashtra Project	7726425	0
<b>Total</b>	<b>41780934</b>	<b>42198448</b>



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*

Director

For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director



**M/S.KAPSTON FACILITIES MANAGAMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB,KUKATPALLY,HYDERABAD-500072**

**NOTE NO.10:**

**NOTE OF FIXED ASSETS & DEPRECIATION STAETEMENT FOR THE YEAR ENDED 31.03.2016:**

Sl. No	Name of the Asset	Useful Life (Years)	Gross Block				Depreciation				Net Block	
			As at 01-04-15 Rs.	Additions Rs.	Deductions	Total Rs.	Upto 31.03.15 Rs.	For the Year Rs.	Transitional Adjustment Rs.	Total Rs.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
1	Plant & Machinery	5	479,471			479,471	370,219	16,484		386,703	93,409	109,893
2	Office Equipment	5	846,270	366,920	-	1,213,190	300,871	425,917		726,788	486,402	545,399
3	Cell Phone	5	213,298		-	213,298	115,536	47,285		162,821	50,477	97,762
4	Furniture & Fixtures	10	2,054,508	193,505	-	2,248,013	850,723	369,664	-	1,220,387	1,027,626	1,203,785
	NSDC Furniture	10		59,540		59,540		2,696		2,696	56,844	-
5	Vehicle	10	78,892		-	78,892	22,506	14,603	-	37,109	41,783	56,386
6	Car-Corrella	8	901,290		-	901,290	624,861	93,461	-	718,322	182,968	276,429
7	Car-Taverra	8	725,150		-	725,150	460,076	87,395	-	547,471	177,679	265,074
8	Omni Van	8	269,500		-	269,500	186,913	27,923	-	214,836	54,664	82,587
9	Car-Jaguar	8	6,391,635	12,010,243	-	18,401,878	3,550,920	3,750,567	-	7,301,487	11,100,391	2,840,715
10	Car- Volks Wagon	8	1,217,251		-	1,217,251	629,399	188,936	-	818,335	398,916	587,852
11	Car- Audi	8	6,059,990		-	6,059,990	2,079,761	1,249,792	-	3,329,553	2,730,437	3,980,229
12	Cheverlot Car	8	1,026,260		-	1,026,260	158,055	271,140	-	429,195	597,065	868,205
13	Skoda Rapid Car	8	1,134,075		-	1,134,075	176,601	299,019	-	475,620	658,455	957,474
14	Toyota Innova	8	1,457,531		-	1,457,531	276,853	368,726	-	645,579	811,952	1,180,678
15	Car-Taverra	8		1,134,247		1,134,247		96,783		96,783	1,037,464	-
16	Hyundai Verna	8		1,221,481		1,221,481		364,792		364,792	856,689	-
18	Computer	3	2,657,190	309,655	-	2,966,845	1,697,309	748,462		2,445,771	521,074	959,881
19	NSDC Computer			383,618		383,618		53,359		53,359	330,259	-
20	Land		-	7,943,000		7,943,000				-	7,943,000	-
21	Capital WIP Land		-	2,000,000		2,000,000				-	2,000,000	-
<b>Total :</b>		---	<b>25,512,311</b>	<b>25,622,209</b>	-	<b>51,134,520</b>	<b>11,500,603</b>	<b>8,477,004</b>	-	<b>19,977,607</b>	<b>31,157,554</b>	<b>14,012,349</b>

For and on behalf of the Board

Director

Director



**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Notes on Accounts (Continued)**

**Note 14 Other Current Assets**

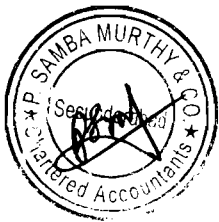
**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Balances with government authorities		
(i) TDS receivable	16565639	15682779
(ii) TDS receivable-Karnataka Project	0	244008
(iii) TDS receivable-Assam Project	0	238468
(b) Deposits		
(i) Rental and Other Deposits	6298339	4668656
(ii) Rental Deposit - Karnataka-Project	200000	325000
(iii) Rental Deposit - Assam Project	63000	529485
(iv) Rental Deposit - Kerala Project	5000	0
Prepaid Expenses	718238	190000
TDS Payable On Financial Charges	418970	0
Expenses Receivable of Projects -Sub-Schedule	224213	0
Grants Receivable -Sub-schedule	14732635	0
<b>Total</b>	<b>39226035</b>	<b>21878396</b>

**Note 15 Short Term Loans and Advances**

**Amt. in Rs.**

Particulars	As at 31.03.2016	As at 31.03.2015
Staff Advances - Hyderabad	74981758	1043003
Staff Advances-Odhisa Project	20711	0
Staff Advances-Karnataka Project	44421	9930
Staff Advances-Assam Project	105611	22284
Staff Advances-Kerala Project	8725	0
Advance for Vehicle	1000000	0
<b>Total</b>	<b>76161226</b>	<b>1075217</b>



For Kapston Facilities Management Pvt. Ltd.

*(Signature)*

*(Signature)*

Director

*(Signature)*

For Kapston Facilities Management Pvt. Ltd.

*(Signature)*  
Director

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Notes on Accounts**

**Note: 16 Revenue from operations**

	<b>Amt. in Rs.</b>	
<b>Particulars</b>	<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
<b>Sale of services</b>		
(a) House Keeping	207,179,498	149,794,980
(b) Security Service Charges	492,203,024	423,769,056
(c) NSDC	3,355,500	
<b>Total</b>	<b>702,738,022</b>	<b>573,564,036</b>

**Note: 17 Grants received from Ministry for Rural Development and Government of India for Skills Projects**

	<b>Amt. in Rs.</b>	
<b>Particulars</b>	<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
Odisha Government	7,295,187	3,891,663
Karnataka Government	14,416,263	8,014,272
Assam Government	14,086,884	2,706,412
Kerala Government	10,885,725	660,024
Maharashtra Government	139,286	
<b>Total</b>	<b>46,823,345</b>	<b>15,272,371</b>

**Note: 18 Other Income**

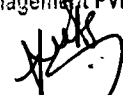
	<b>Amt. in Rs.</b>	
<b>Particulars</b>	<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
Interest Received	235,360	236,706
Interest on IT Refund	145,137	
IT Refund	1,030	
<b>Total</b>	<b>381,527</b>	<b>236,706</b>

For Kapston Facilities Management Pvt. Ltd.

  
Director



For Kapston Facilities Management Pvt. Ltd.

  
Director

**M/S.KAPSTON FACILITIES MANAGEMENT PRIVATE LIMITED**  
**NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD - 500072**

**Note: 19 Expenses relating to Grants from Government for Skills P**

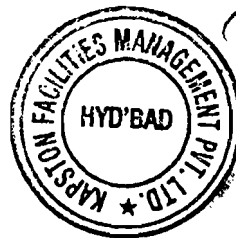
**Amt. in Rs.**

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Odisha Government	7,295,187	3,891,663
Karnataka Government	14,416,263	8,014,272
Assam Government	14,086,884	2,706,412
Kerala Government	10,885,725	660,024
Maharashtra Government	139,286	
<b>Total</b>	<b>46,823,345</b>	<b>15,272,371</b>

**Note: 20 Employee Benefits**

**Amt. in Rs.**

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Wages	496,283,548	399,850,575
Salaries	38,327,059	29,840,490
Directors Remuneration	4,200,000	2,900,000
Bonus	9,113,925	7,631,093
ESI Paid	9,014,197	5,175,914
Provident Fund paid	28,971,615	12,579,532
Staff Welfare	2,128,590	4,455,655
<b>Total</b>	<b>588,038,934</b>	<b>462,433,258</b>



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*

Director

For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director

**Notes on Accounts**

**Note: 21 Finance cost**

**Amt. in Rs.**

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest on car loan	1,829,199	1,248,780
Interest on Business Loans	5,768,336	
Interest on Bank O/D	1,070,916	456,104
Bank Charges	492,456	658,933
Finance Charges	1,071,135	
<b>Total</b>	<b>10,232,042</b>	<b>2,363,818</b>

**Note: 22 Other Expenses**

**Amt. in Rs.**

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Staff Dress, Uniform and Material Purchase	26,631,110	45,076,558
Advertisement Charges	241,898	90,964
Audit Fees	250,000	225,000
Business Promotion Expenses	5,738,036	2,068,330
Consultancy Charges	2,298,580	2,393,613
Conveyance	4,062,752	2,765,305
Electricity Charges	193,684	395,339
Donation	1,383,400	1,102,232
Insurance	471,385	440,171
Rates and Taxes	4,317,191	7,354,727
Office Maintenance	2,529,297	2,216,060
Postage and Telegram	133,567	49,518
Printing and Stationery	58,858	470,625
Rent Paid	1,677,910	3,117,055
Internet Charges	440,151	202,841
Telephone Charges	450,599	1,019,675
Travelling Expenses	1,598,323	1,054,501
Computer Maintenance	590,555	211,945
Vehicle Maintenance	570,525	2,478,404
Repairs & Maintenance	1,103,458	-
Labour Charges	213,878	-
NSDC Expenditure	6,703,257	-
Tender Forms	11,620	22,433
Kennels (Dog Training Exp)	650,327	-
Swatch Bharath Cess	15,549	-
<b>Total</b>	<b>62,335,908</b>	<b>72,755,295</b>



For Kapston Facilities Management Pvt. Ltd.

*[Signature]*

Director

For Kapston Facilities Management Pvt. Ltd.

*[Signature]*  
Director