

ENABLING PERFORMANCE

Annual Report 2018-19

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Disclaimer

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

ENABLING PERFORMANCE

Against the backdrop of India becoming one of the fastest growing economies in the world and globalisation of our home grown businesses, leadership across companies are keen to focus on their core business and outsource their noncore operation and maintenance activities. By focusing on the core and outsourcing the non-core activities companies are able to increase their efficiency and are able to create a more encouraging, productive and safer working atmosphere.

As a leading and one of the fastest growing facility management services company in South India, Kapston is enabling its customers to focus on their core and perform better.

KAPSTON AT A GLANCE

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



2009

Incorporation of
Kapston Facilities
Management
Private Limited

2011

Branch office in
Visakhapatnam

2013

Branch office in
Bengaluru

10500

Number of Employees

800+

Customers

₹14723 lakhs

FY19 Revenue | +24% year on year

₹1334 lakhs

FY19 EBIDTA | +19% year on year



2015

Partnership with NSDC

Associated with various state governments for implementation of "Ajeevika skill development projects".

2018

Listed on NSE Emerge

Converted into Public Limited Company

Branch Office in Chennai

Total Revenue crossed 100 crores

OUR SERVICES FOR ENABLING PERFORMANCE

Our experience & expertise spans a broad spectrum of services, making it a one stop destination for an Integrated Security and Facility Management Solution.

A professional organization structure ensures that each function is adequately staffed and competent to deliver an overall superior customer experience. Each service vertical is supported by a central back office which is tasked with delivery of HR, Compliance, Training & Audit etc .



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



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



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



Office Support : Kapston has an established brand name for sourcing of talent for contract staff to support their basic administrative chores as well as office support.



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



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



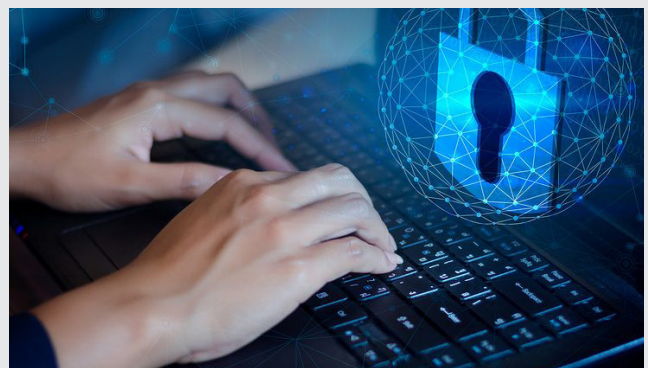
Pantry Services : Kapston provides pantry and F&B services to corporate offices. Our team of stewards are trained and equipped to handle the service requirements from general pantry services right up to the board room.



Landscaping & Gardening : Backed by a team of expert landscape architects, horticulturists and experienced support staff, Kapston has pioneered the art of crafting the most spectacular landscapes.



Canine Brigade : Kapston rears one of the finest security dog squads of the region. From sniffing out a potential threat to tracking down a suspect's trail, intimidating an unsolicited intruder to protecting their assets and property, Kapston inspires the best-in-class canine security.



E-Security : Leveraging the best of available security technologies, Kapston provides 'e-security solutions' to address a wide spectrum of security requirements including consultancy, planning, installation, commissioning operations and maintenance.

MESSAGE FROM THE CHAIRMAN



Dear Shareholders

Our continued growth in FY19 on all key indicators is proof not only of our strong and diverse portfolio but also the strong brand equity of Kapston in our existing markets. Our growth rate is higher than the FMS industry growth. From ₹ 5 crore in FY10 our revenue has crossed ₹ 148 crore in FY19 with a CAGR of over 40%.

I am delighted to report that FY19 was yet another record year for our company across key financial metrics including revenue, EBIDTA and PAT. Our year on year revenue growth of 24% remains higher than the facility management services sector growth in India. During the year we also reduced our financial costs. Our Debt to Equity ratio has remained constant at around 1 while ROE & ROCE have sustained at the 25% and 30% levels respectively. We managed our working capital more efficiently by reducing high cost debts resulting in increased PBT.

I am confident that the impending macro-economic challenges and looming slowdown will have minimal or nil impact on our industry in the near term. While we can expect cost cutting measures by organisations, overall the FMS sector will continue to grow as it's a key enabler of organisational efficiency improvement. Our diverse service portfolio across multiple industry segments such as Retail, Hospitality, Hospital, Banks & FIs, IT-ITES helps us in mitigating the segment related systematic risks. However we are not complacent and we will continue to deploy our operational and financial agility to overcome the challenges.

We continue to set benchmarks in our approach to governance and social responsibility. We strictly comply with all security market guidelines and adhere to all industry standards related to our operations. Social responsibility is inherent in our business model as we train and employ unskilled and semiskilled youth. During the year we imparted training to various people from different states under our skill development initiatives in association with central and state government programmes. As part of our corporate social responsibility initiatives we spent over ₹ 12 lakhs towards education, women empowerment and as aid for flood relief operations in Kerala.

Looking ahead, our strong internal processes and excellent service delivery capabilities are poised to help us in achieving the next level of growth. While stepping into FY20 we continue our transformation journey to ensure consistent profitable growth. I congratulate Kapston team for this exemplary performance.

I take this opportunity to thank our clients, investors, banks, associates, suppliers and government agencies for their continued support.

Warm Regards



Chereddi Ramachandra Naidu
Executive Chairman



Looking ahead, our strong internal processes and excellent service delivery capabilities are poised to help us in achieving the next level of growth. While stepping into FY20 we continue our transformation journey to ensure consistent profitable growth

REVIEW BY THE MANAGING DIRECTOR



We have simultaneously maintained our profitability metrics and even with the significant top-line growth and have brought in efficiency to our financial function which is depicted in substantially lower relative finance charges over the previous year. This was one of the stated aims of the IPO and we are pleased that we have been successful in channeling the new equity productively

The year 2018-19 has been one of tremendous change and improvement with our listing on the NSE Emerge platform. While we have maintained an extremely healthy growth rate, we have also strengthened our internal control and process mechanisms in keeping with the needs of an expanding business as well as our responsibility to our shareholders.

Our medium-term strategy of consolidating our presence in established markets while foraying into new geographies within South India has been on track. While our presence in Hyderabad has continued to be strong with a 22% growth in revenue, our new branch in Chennai has also shown traction and along with Bengaluru, now contribute approximately 6% of our overall revenue which was 2.25% in the previous fiscal. The outlook for the next year looks equally promising.

Our skills & training initiatives in conjunction with NSDC & DDU-GKY continues to remain an important part of our business and an important source of trained manpower.

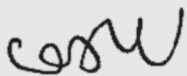
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We have also initiated efforts to improve our digital and IT backbone in order to bring in efficiency, control and enhanced visibility to

our operations. Several initiatives on HR related software, digitizing erstwhile manual processes and reducing process times are already in testing and pilot stage. We shall be focusing on increased automation as we plan for increased growth in the medium term which will be vital to deliver scale benefits as well as improved governance.

Our people continue to be our strength and we are happy to report that several of our earliest team members have assumed greater responsibility due to their efforts and the organizations skill enhancement initiatives. This has enabled us to foster an environment of competitiveness and excellence while motivating the entire team to keep pace with organizational growth.

Warm Regards



Srikanth Kodali

Promoter & Managing Director



HOW WE CREATE VALUE BY ENABLING PERFORMANCE

INPUTS

Market Needs

To increase efficiency and thereby make the economic performance more sustainable increasing number of organisations are outsourcing their non-core operational and maintenance activities to third party services providers.

Customer Needs

Organisations are looking for efficient and effective delivery of a plethora of support services including security, housekeeping, indoor and outdoor maintenance, office support and F&B so that they can focus on their core business activities.

Social Needs

Large number of undereducated and unskilled youth in India are looking for skill development and employment

Relationships

Customers
Our People
Suppliers
Investors
Society

Assets

Our People
Intellectual Property
Strong Cashflow
Brand Value

AIM

To establish the highest benchmark standards in the Facility Management Industry and to become the 'Leading Service Provider', pan India.

VISION & MISSION

To become the Pioneer service provider for integrated facility management services. To provide assistance to people, authorities and companies in order to meet their demands for Integrated Facility Services on a 24/7 basis.

WHAT WE DO

Established in 2009 we are one of the fastest growing Facilities Management (FM) companies in India. We provide integrated FM services such as security, housekeeping, M&E, pest control, façade cleaning, office support and kennel services. The company's clients are from diverse industry segments such as IT& ITES, Banks, Hotels, Hospitals, Malls and Retail, Infrastructure Projects and Residential complexes.

In association with various central and state government skill development initiatives such as Deen Dayal Upadhyaya Grameen Kaushalya Yojana the company has been training youth to increase their skills in various disciplines of Facility Management Services.

In FY19 the company trained various people under its skill development initiatives.

CORE VALUES

Integrity is integral to our operations and by employing the best people in the industry, we use our expertise to develop the finest solutions to the clients 'demanding requirements'.

OUTCOME

₹ **14723** lakhs
Revenue

₹ **856** lakhs
PAT

800+
Customers

10500
Employees

₹ **97** lakhs
Taxes Paid in FY19

ENABLING PERFORMANCE BY ENDURING COMPETITIVE STRENGTHS

1

Integrated Service Provider

We offer services for a diversified business segments such as IT & ITES, Manufacturing, Banks, Hotels, Hospitals, Malls & Retail, Construction projects and Residential sites.

2

Strong Brand Equity

Our track record of delivering seamless quality services has enabled us to retain our existing customers many of the large corporates and MNCs. We have been adding new customers.

3

Experienced Promoters and Senior Management

The key promoters of the company have over a decade of experience in the lines of business in which the company operates. The senior management team of the company have multiples years of experience in finance, marketing and operations.

4

Diverse Portfolio of Services

The company has a comprehensive range of security and facilities management related services, which include, manned guarding, escort guarding, event management support, fire fighting, dog squad, housekeeping, office support & staffing, F&B & Catering, Engineering & Maintenance, Landscaping & Garden Maintenance, Façade Cleaning, Pest Control, Waste Management and Valet services.

5

Quality

Ensuring quality and thereby increasing customer satisfaction is one of our competitive strength. To deliver quality services we emphasize a lot on importance of group supervision aided by 24 x 7 mobile communications. Customer need, expectations are documented as well as every client is provided with operational and emergency escalation matrix.

KEY PERFORMANCE INDICATORS

FINANCIAL HIGHLIGHTS

Revenue from Operations

(₹ in lakhs)

FY 18-19	14723
FY 17-18	11850
FY 16-17	9375
FY 15-16	7499
FY 14-15	5890

PBT

(₹ in lakhs)

FY 18-19	952
FY 17-18	748
FY 16-17	451
FY 15-16	352
FY 14-15	300

PAT

(₹ in lakhs)

FY 18-19	856
FY 17-18	601
FY 16-17	289
FY 15-16	257
FY 14-15	218

PAT (%)

FY 18-19	5.8
FY 17-18	5.1
FY 16-17	3.1
FY 15-16	3.4
FY 14-15	3.7

EBIDTA

(₹ in lakhs)

FY 18-19	1334
FY 17-18	1117
FY 16-17	718
FY 15-16	539
FY 14-15	386

EPS

(In ₹)

FY 18-19	9.84
FY 17-18	6.92
FY 16-17	3.83

Revenue Growth

FY 2018-2019	FY 2017-2018	FY 2016-17	FY 2015-2016	FY 2014-2015
24.2%	26.4%	25%	27.3%	41.9%

ENABLING PERFORMANCE BY HUMAN RESOURCE DEVELOPMENT

HR Vision

Working together as a team to provide excellent human resource services.

HR Mission

To provide prompt, attentive, and quality services to our clients across all the industries with a focus on their overall expectations

HR Values

Treat everyone with dignity, empathy and respect. Take purposeful, thoughtful approach to our work. Provide clear and consistent communications.

Training

Your company has been highly contributing in including, empowering and training various state level projects. Under the flagship of DDU GKY Project, the following states were covered .Maharashtra State Rural Livelihood Mission (MSRLM), Odisha Rural Development & Marketing Society, Karnataka State Rural Livelihoods Promotion Society, Kudumbashree State Mission where-in the training focus was on Retail Management, Tourism & Hospitality , Leadership initiatives on Management , Building & supporting Entrepreneurial skills. Understanding & building on IT & ITes technology initiative was also imparted to the beneficiaries.

In addition to the above, exclusive training for NSDC & MEPSC in the areas of Tourism & Hospitality & Security wherein various topics like Grooming, Safety, Chemical Usage, House Keeping role & responsibilities etc were imparted. Training subjects under PSARA Act and Non PSARA Act relating to Emergency Procedures, Guard Alertness, Health & Safety,

Parking Management etc were imparted to the beneficiaries.

Leadership Initiatives

We have initiated few key leadership initiatives through talent acquisitions wherein we have recruited Senior Management candidates for better business growth.

Talent Management

For retaining talent, we are taking care of our attrition rate through few strategies that we are currently working on and will be implementing in the current financial year. On regular basis, we are conducting

Rewards & Recognition programmes at our client premises and in our offices for employee retention as well as motivating them. Knowledge Management Tools & processes are being used through our recruitment strategies to attract, retain and share various employee experiences. We are continuously updating our internal employees data and are in the process of designing & implementing internal IT (ERP Process).



ENABLING PERFORMANCE BY SKILL DEVELOPMENT

Kapston has embarked on a mission along with National Skill Development Corporate (NSDC) and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) in line with Government of India's mission for generating employment for youth and for enhancing skills towards the National Development Index.

We have partnered with NSDC and for making unskilled youth employable by 2025. Under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) we also run government aided training centres in the state of Maharashtra, Karnataka, Odisha, Assam and Kerala to train youth on security, housekeeping, hospitality and F&B services.



BOARD OF DIRECTORS

Dr. Chereddi Ramachandra Naidu

Executive Chairman

He holds a Master's Degree in Sociology and a Doctorate in Commerce & Management. He has authored a book on "Preventive Powers of Police", which was published by AP Police Academy. He was Inspector General of Police in the combined state of Andhra Pradesh. He joined the Police Services as a Deputy Superintendent of Police in 1977 and retired in 2007 as Inspector General of Police. His expertise spans across human resource management, Industrial relations, strategy and project management.

Mr. Srikanth Kodali

Promoter and Managing Director

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

Mr. Naveen Nandigam

Independent Director and Chairman of Audit Committee

He is a fellow member of Institute of Chartered Accountants of India (ICAI) and has been in professional practice since 1990 and has over 29 years of experience in financial reporting and management. He is associated with the Company since February 2018.

Mrs. Kanti Kiran Doddapaneni

Promoter and Non-Executive Director

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

Mrs. Vanitha Nagulavari

Independent Director

A Commerce graduate and an Associate member of the Institute of Company Secretaries of India. She has an experience of over 9 years in the areas of legal, secretarial, capital markets and other corporate affairs. She is associated with the Company since August 2018.

CORPORATE INFORMATION

BOARD OF DIRECTORS Dr. Chereddi Ramachandra Naidu Chairman Mr.Srikanth Kodali Managing Director Mr.Naveen Nandigam Independent Director Mrs.Kanti Kiran Doddapaneni Non-Executive Director Mrs.Vanitha Nagulavari Independent Director	REGISTERED OFFICE Plot No. 287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana- 500072
	CORPORATE OFFICE #1-98/9/3/23, Plot No. 12E, Jaihind Colony, Madhapur, Hyderabad- 500081
	INTERNAL AUDITOR Ms. K Sravanthi, Chartered Accountant, Membership Number :239567 2018-2019 Ms. K.Bhargavi, Chartered Accountant Membership Number : 240707.
	SECRETARIAL AUDITOR Mr.D S. Rao Practising Company Secretary C.P NO. 14487
KEY MANAGERIAL PERSONNEL Mr.Brendon Thomas Pereira Chief Financial Officer Ms. Amreen Gulnaaz Company Secretary and Compliance Officer	REGISTRAR AND TRANSFER AGENT Bigshare Services Private Limited # 06, Right Wing, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda Rajbhavan Road, Hyderabad - 500082
STATUTORY AUDITORS Mr. Rankireddy Srinivasu NSVR & Associates LLP. Chartered Accountants Firm Reg. No. 008801S/S200060	INVESTOR CELL CONTACT DETAILS cfo@kapstonfm.com cs@kapstonfm.com

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Scenario:

India has emerged as the fastest growing economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. The Finance Minister intends to set the road map for India to be a US\$5 trillion economy. The world economy is slowing down with anti-globalisation sentiment, protectionism, nativism and trade wars. India continues to take giant strides forward and has also managed to become the sixth largest economy by sustaining growth rates higher than China, and also one of the fastest growing economy in the world.

Facility Management - Industry Review & Outlook

Facility management services are outsourced to a third-party service provider to maintain a facility. These services consist of housekeeping, cleaning, security, catering, electrical management, and water management.

Globally, the facility management market is estimated at \$35 billion, and is expected to reach \$60 billion by 2023. According to industry estimates, the Indian Facilities Management services market is estimated at Rs 58,500 crore and is slated to grow at a CAGR of 25 per cent, much higher than the global trend. This is one reason why foreign firms are eyeing the Indian market.

The Facility Management and Security Industry in India has been growing at approximately 17-20% Compound Annual Growth Rate (CAGR) and we estimate this trend will continue for the next foreseeable future. Growth in this industry is mainly driven by growth in the broader economy as well as increased penetration into areas that traditionally conducted these activities inhouse. Though an increasing number of companies are switching to outsourced services, the penetration levels still remain far below developed market norms. Thus, the potential for growth remains fairly robust.

Key Drivers of the FM Services in India

Against the backdrop of India being one of the fastest growing economies in the world and globalisation of our businesses, home grown business houses as well as MNCs operating in India are keen to focus on their core business activities and outsource their noncore operation and maintenance activities. By focusing on the core and outsourcing the non-core activities business are able to increase their efficiency by creating a more encouraging and safer working atmosphere.

Facility management services are increasingly gaining popularity amongst commercial as well as residential clients driven by modernization, rapid urban development and a growing awareness of advantages arising from outsourcing non-core business activities.

Review of Financial Performance

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Growth Y-o-Y	
Revenue	14,727.71	11,850.76	2,876.96	24.28%
Employee Expenses	12,583.45	10,021.06	2,562.39	25.57%
Other Expenses	810.18	712.29	97.89	13.74%
EBITDA	1,334.09	1,117.41	216.68	19.39%
EBITDA %	9.06%	9.43%	-0.37%	
Finance Costs	253.39	259.24	(5.85)	-2.26%
Depreciation	128.34	120.64	7.70	6.38%
Profit before Tax	952.36	747.82	204.54	27.35%
Profit before Tax %	6.47%	6.31%	0.16%	
Tax Expense	96.62	146.32	(50)	
Profit after Tax	855.74	601.50	254.24	42.26%
Profit after Tax %	5.81%	5.07%	0.74%	
Earnings Per Equity share (₹)				
(1) Basic	9.84	6.92		
(2) Diluted	9.84	6.92		

A. Revenue:

- i. Revenue grew by 24% to ₹ 147.27 Crores an increase of approximately ₹ 29 Crores from the previous financial year.

B. EBITDA:

- i. Correspondingly EBITDA grew by 19.34% to ₹ 13.34 Crores an increase of ₹ 2.16 Crores over the previous year.
- ii. EBITDA % was marginally lower at 9.06% of revenue as against 9.43% in the previous year. This was mainly on account of increased salary cost due to our expansion plans.

C. Finance Costs:

- i. Finance costs decreased marginally by approximately ₹ 6 lakhs owing to retirement of high cost borrowings from NBFC's.
- ii. This resulted in finance costs reducing to 1.7% of revenue as compared to 2.2% in the previous year.

D. Depreciation:

Depreciation costs increased marginally by approximately ₹ 8 lakhs primarily due to equipment purchase for our Soft Services (Housekeeping) business.

E. Taxation

During the year, the Company continued to avail the benefit of 80JAA of the Income Tax Act, 1961 pursuant to which the Effective Tax Rate (ETR) stood at 10.1% in financial year 2019.

F. Ratio Analysis

Particulars	FY 2017-18	FY 2018-19
Debt : Equity	1.04	1.09
Current Ratio	1.67	1.66
Receivables (DSO)	103	71
Return on Capital Employed (ROCE)	30%	29%
Return on Equity (ROE)	25%	23%
Interest Coverage Ratio	4.76	3.85

Above Ratios are computed on year end values

- i. Our Debt to Equity ratio has remained constant at around 1 while ROE & ROCE have sustained at the 25% and 30% levels respectively.

- ii. Receivables has increased from 60 days to 87 days mainly on account of a delay in collections from a few new large customers. This was due to delays in documentary processes and has since been streamlined.

- iii. The Interest coverage ratio has improved significantly to 4.76x from 3.85x in the previous year.

Segment-wise or Product wise performance

Our revenue from Soft Services (comprising Housekeeping, Office Support, Pantry services etc) has grown by approx. 39% to ₹ 6017 lakhs from ₹ 4335 lakhs in the previous year. This segment accounts for 41% of our total revenue, up from 37% in the previous fiscal.

Correspondingly, our Security Services business increased to ₹ 8129 lakhs from ₹ 6767 lakhs from the previous year, a growth of 20%. Security services account for 55% of our revenue.

Our Skills programs in conjunction with NSDC & Ministry of Rural Development contributed ₹ 575 lakhs as against ₹ 742 lakhs in the previous year mainly on account of us completing several projects during the financial year. We have since been granted an additional project in the state of Orissa with a mandate to train and make employable 1500 rural youth across domains.

Opportunities

The Indian FMS market accounts for 3.2% of the GDP of the country and is at present on INR 5 Lakh crore market and is expected to grow at a rate of 20-25% annually. The market is highly fragmented with relatively few organized players. However, with the growing formalization of the economy, the proportion of organized players is steadily increasing. At present the organised FMS in India is valued at 50 thousand cr. constituting 10% of the total market. This expected to grow to INR 1.25 lakh crore by 2022. In India FMS companies have only tapped 25% of the addressable market with 75% of this work still being undertaken in house, a stark contrast to 49% at the global level.

Challenges

Price competition from the unorganized sector and shortage of skilled manpower and the key challenges being faced by the organised players in the FM Services. Facility management services require volume of skilled, semi-skilled, and unskilled manpower. The market witnesses' shortage of skilled and semi-skilled manpower

to provide numerous services. The shortage of skilled manpower for services with technical expertise is a challenge for the service providers in the market.

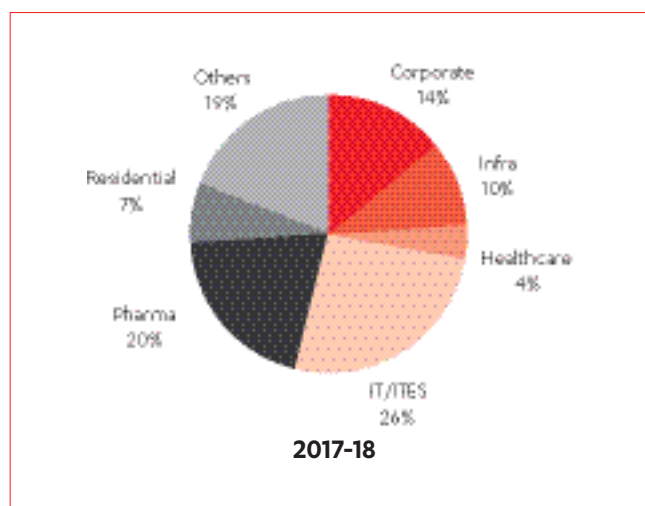
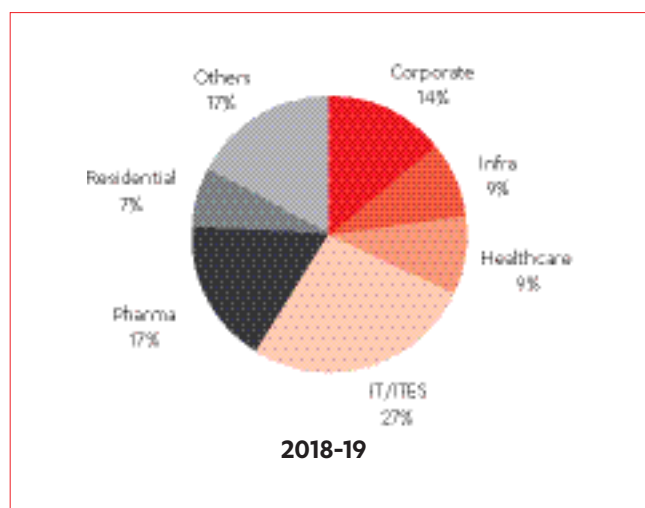
Our Strength

Kapston have developed a lot of expertise in hiring, training, evaluation and control to ensure that we provide best services to our clients.

At Kapston we take preventive steps to mitigate the risk of attrition, by having dedicated recruitment teams and training centers which focus on matching employment preference for various groups of individuals from different states, which indirectly benefits both the employee and the Company at large.

Revenue From Industry Segments (%)

Our diverse service portfolio across multiple industry segments such as Retail, Hospitality, Hospital, Banks & FIs, IT-ITES helps us in mitigating the segment related systematic risks.



Threats

The recent tendency of predatory pricing with an intention to eliminate weak players by the established big players is a potential threat.

Rapid adoption of technology to reduce dependence on manpower by the clients works against the rate of growth of the industry. Increase in the minimum wages by the Government is a risk to the financial performance of the company.

Internal Control System and their Adequacy

Our Company has in place adequate systems for internal controls and delivery of services. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

Human Resource

- The total number of employees as on March 2019 was 10,500 as compared to 8,500 on March 2018. The monthly billing during this period has increased from approximately ₹ 9.6 crores in March 2018 to ₹ 14.5 crores in March 2019.
- The back office or 'Non Billable' staff strength remained at 250.
- To aid the expansion, an additional recruitment centre has been established in Hyderabad.
- An additional Project under the DDU-GKY program of the Government of India, has been granted to your company by the state of Orissa to train 1,500 rural youth.

DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors ("Board") of Kapston Facilities Management Limited ("Kapston" or "Company") with immense pleasure present their 11th Annual Report on the business and operations of your company together with the audited financial statements for the financial year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS

The Company's operations during the financial year ended March 31, 2019 are summarized in the following table

(₹ in lakhs)

Particulars	Standalone	
	2018-19	2017-18
Revenue from Operation	14723.04	11845.19
EBIDTA	1334.08	1117.40
Less: Finance Costs	253.39	259.23
Less: Depreciation and amortization expenses	128.33	120.63
Profit before prior period items	952.35	737.53
Prior period items	-	10.28
Profit before tax	952.35	747.82
Less: Current Tax	226.26	181.82
Add: Deferred Tax Asset	129.64	35.49
Profit Available for appropriations/Loss	855.73	601.50
Basic Earnings per Share(₹)	9.84	6.92
Diluted Earnings per share (₹)	9.84	6.92
Paid up share capital (face value of INR 10 each)	869.49	869.49
Reserves and Surplus	2605.08	1749.35

2. STATE OF AFFAIRS/ COMPANY'S PERFORMANCE

Your Company provides Private Security Services, Facilities Management Services and in partnership with various central & state level government agencies undertakes training and development programmes to the "Unemployed Youth".

The Company's revenue from operations for the financial year ending March 31, 2019 stood as ₹ 14723.04 lakhs compared to ₹ 11845.19 during the previous financial year. The Company has achieved EBIDTA (including other income) of ₹ 1334.08 lakhs

during the financial year 2019 as against that of EBIDTA of ₹ 1117.40 lakhs for the previous financial year 2018. The profit before tax for the financial year under review is ₹ 952.35 lakhs as against ₹ 747.82 lakhs for the previous financial year 2018. Profit after tax was positively impacted by the tax benefits availed under Section 80JJAA of the Income Tax Act, 1961 and deferred tax benefits.

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

3. DIVIDEND

Your Directors would like to use the profits earned for improving business and hence do not propose any dividend for the financial year under review 2018-19.

4. TRANSFER TO RESERVES

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

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

The provision of Section 125 of Companies Act, 2013 is not applicable as the Company did not declare any dividend.

6. SHARE CAPITAL

As on March 31, 2019, the authorized share capital of the Company is ₹ 90,000,000 divided into 90,00,000 equity shares of ₹ 10 each. The paid-up capital is ₹ 86,949,090 divided into 8,694,909 equity shares of ₹ 10 each. There is no change in the Capital structure during the financial year under review.

Dematerialized Form

The Shareholders who were holding shares in physical form have converted their shares to Demat form. The entire shareholding of your company is in dematerialized form.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, your Company has not made any investment, given any loan or guarantee falling within the meaning of section

186 of the Companies Act,2013 and the rules made thereunder.

8. PUBLIC DEPOSITS

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

9. 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 Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

10. 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 properly 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.

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

There is no material changes and commitment affecting financial position of the company during the financial year 2018-19.

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

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

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

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

Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. Your Company has received complaints as follows during the financial year under review:

No. of Complaints received	No. of Complaints resolved	Pending Complaints
2	2	NIL

13. MEETINGS OF THE BOARD OF DIRECTORS

During the financial year under review, the following board meetings were held in compliance with the provisions of Companies Act,2013 and rules made there under and in compliance with Secretarial Standards issued by "Institute of Companies Secretaries of India".

S.No	Date of Meeting	No. of Directors entitled to attend the meeting	No. of Directors attended the meeting
1	April 02, 2018	5	5
2	May 30, 2018	5	4
3	August 30, 2018	6	6
4	November 12, 2018	6	6
5	February 28, 2019	6	6

14. COMMITTEES OF THE BOARD AND DETAILS ABOUT THE COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR UNDER REVIEW

The Board has four committees, the Audit Committee, the Nomination and Remuneration Committee, the CSR Committee and the Stakeholders Relationship Committee which are constituted as per the provisions of the Companies

Act, 2013, and the Committee meetings were held in compliance with the provisions of Companies Act, 2013 and rules made there under and in compliance with Secretarial Standards issued by “Institute of Companies Secretaries of India”. The details of the above-mentioned committees are as follows:

Audit Committee

The details of Audit Committee are as follows

Name of Member	Status	Nature of Directorship	Initial date of Appointment in respective Committee
Mr. Naveen Nandigam	Chairman	Independent Director	February 22, 2018
Mrs. Vanitha Nagulavari	Member	Independent Director	August 30, 2018
Mr. Srikanth Kodali	Member	Managing Director	July 1, 2019

During the financial year under review, the following Audit Committee meetings were held

S.No	Date of Meeting	No. of Committee Members entitled to attend the meeting	No. of Committee Members attended the meeting
1	May 30, 2018	3	3
2	August 30, 2018	3	3
3	November 12, 2018	3	3
4	February 28, 2019	3	3

Nomination and Remuneration Committee

The details of Nomination and Remuneration Committee are as follows

Name of Member	Status	Nature of Directorship	Initial date of Appointment in respective Committee
Mrs. Vanitha Nagulavari	Chairman	Independent Director	August 30, 2018
Mrs. Kanti Kiran Doddapaneni	Member	Non-Executive Director	August 30, 2018
Mr. Naveen Nandigam	Member	Independent Director	February 22, 2018

During the financial year under review, the following Nomination and Remuneration Committee meetings were held

S.No	Date of Meeting	No. of Committee Members entitled to attend the meeting	No. of Committee Members attended the meeting
1	August 30, 2018	3	3
2	November 12, 2018	3	3
3	February 28, 2019	3	3

Corporate Social Responsibility Committee

The details of Corporate Social Responsibility Committee are as follows

Name of Member	Status	Nature of Directorship	Initial date of Appointment in respective Committee
Mr. Srikanth Kodali	Chairman	Managing Director	May 30, 2018
Mrs. Vanitha Nagulavari	Member	Independent Director	November 12, 2018
Dr. Chereddi Ramachandra Naidu	Member	Executive Chairman	May 30, 2018

During the financial year under review, the following CSR Committee meetings were held

S.No	Date of Meeting	No. of Committee Members entitled to attend the meeting	No. of Committee Members attended the meeting
1	May 30, 2018	3	3
2	August 30, 2018	3	3
3	February 28, 2019	3	3

Stakeholder Relationship Committee

The Board of Directors at their meeting held on August 26, 2019 has re-constituted the stakeholder relationship committee. The details of the said committee are as follows

Name of Member	Status	Nature of Directorship	Initial date of Appointment in respective Committee
Ms. Kanti Kiran Doddapaneni	Chairman	Non-Executive Director	August 26, 2019
Mr. Srikanth Kodali	Member	Managing Director	February 22, 2018
Mrs. Vanitha Nagulavari	Member	Independent Director	August 26, 2019

During the financial year under review only one Stakeholder Relationship Committee meeting was held on February 28, 2019.

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

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

Criteria for selection of Non-Executive Director

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

- Qualification, expertise and experience of the directors in their respective fields;
- Personal, professional or business standing;
- Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Directors and his engagement level.

Remuneration

The Non-Executive Directors shall not be entitled to receive remuneration except by way of sitting fees, reimbursement of expenses for participation in the board/committee meetings and commission. The independent director of the company shall not be entitled to participate in the Stock Option Scheme of the company. The aggregate commission paid to the Non-Executive Directors is within the statutory limit of 1% of the net profits of the company.

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

For the purpose of selection of the Managing Director, Executive Director, CS and CFO the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any members of the Board.

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 and 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:

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

16. BOARD EVALUATION AND ASSESSMENT

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Sections 134, 178 and Schedule IV of

the Companies Act, 2013. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties by the Board of Directors, independence, ethics and values, attendance and contribution at meetings etc.

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

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

The Board reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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 same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed.

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

During the financial year under review, the following directors were re-designated and appointed

Date of appointment	Date of Re-designation	DIN	Name	Re-Designation / Appointed as
January 11, 2018	May 30, 2018	07420023	Mrs. Kanti Kiran Doddapaneni	Non-Executive Director
February 22, 2018	August 30, 2018	02096757	Dr. Chereddi Ramachandra Naidu	Executive Chairman
August 30, 2018	-	07271674	Mrs. Vanitha Nagulavari	Independent Director

Mr. Radha Krishna Pinnamaneni, Non-Executive Director has resigned from the Board with effect from July 01, 2019.

Retirement by Rotation

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

Key Managerial Personnel

Mr. Srikanth Kodali, Managing Director, Mr. Brendon Thomas Pereira, Chief Financial Officer, Ms. Amreen Gulnaaz, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel except change in designation of Mrs. Kanti Kiran Doddapaneni as mentioned above.

18. INTER-SE TRANSFER OF SHARES AMONG PROMOTERS

Mr. Radha Krishna Pinnamaneni, Promoter of the Company transferred his entire holding i.e 3,56,755 equity shares on June 27, 2019 to Mr. Srikanth Kodali, Promoter. Thereafter, Mr. Radha Krishna Pinnamaneni resigned from the Board of our Company.

In the Board Meeting held on August 26, 2019, the Board of Directors considered the request received from Mr. Radha Krishna Pinnamaneni to re-classify him from "Promoter and Promoter Group Category" to "Public Category", the same was intimated to the Stock Exchange.

19. DECLARATION BY THE INDEPENDENT DIRECTORS

During the year under review, the independent directors of the company have submitted their disclosures to the board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as independent directors under the provisions of the Companies Act, 2013 and the relevant rules.

20. DIRECTORS RESPONSIBILITY STATEMENT

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

- i. In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors have prepared the annual accounts on a going concern basis;
- v. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- vi. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

21. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return of the company for the financial year ended March 31, 2019 is enclosed as Annexure I.

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

22. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors constituted Corporate Social Responsibility (CSR) Committee as on May 30, 2018 in accordance with the provisions of section 135 of the Companies Act, 2013, the Board on recommendation of CSR Committee and in compliance with the policy on Corporate Social Responsibility invested the CSR Fund for promotion of education and in promotion

of gender equality and empowering women. The Annual Report on CSR activities is enclosed as Annexure II to this Annual Report.

23. PARTICULARS OF EMPLOYEES

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

24. MANAGEMENT DISCUSSION AND ANALYSIS

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

25. STATUTORY AUDITORS

M/S NSVR and Associates LLP, Chartered Accountants, (Firm Registration No.0008801S/S200060), Hyderabad, was appointed as Statutory Auditor of the Company at the 10th Annual General Meeting held on September 28, 2018 till the conclusion of 14th Annual General Meeting. They have confirmed their eligibility for the financial year 2019-20 under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

26. SECRETARIAL AUDITOR

Mr. D. S Rao, Practising Company Secretary, Hyderabad, was appointed as Secretarial Auditor of the Company for the financial year 2018-19.

The Board has re-appointed Mr. D.S Rao, Practising Company Secretary, Hyderabad as Secretarial Auditor of the Company for the financial year 2019-20.

27. INTERNAL AUDITOR

Ms. Kandula Bhargavi, Chartered Accountant, Hyderabad, was appointed as Internal Auditor of the Company for the financial year 2018-19.

The Board has appointed Ms. Sravanthi Karuturi, Chartered Accountant as Internal Auditor for the financial year 2019-20.

28. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The statutory auditors' report and secretarial auditors' report do not contain any qualifications, reservations or adverse remarks.

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

29. INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Based on the audit reports your Company undertake 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, as amended from time to time, the revised code of conduct for prohibition of insider trading, as approved by the board as on April 01, 2019 is implemented by the company. The board has appointed Ms. Amreen Gulnaaz, Company Secretary as the Compliance Officer under the code.

30. 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 future.

31. VIGIL MECHANISM

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013 a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Policy on vigil

mechanism i.e. whistleblower policy may be accessed on the Company's website at www.kapstonfm.com. The policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about leakage of unpublished price sensitive information (UPSI), illegal and unethical behaviour to the Chairman of the Audit Committee.

32. 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.

33. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

34. COMPLIANCE WITH THE ICSI SECRETARIAL STANDARDS

The relevant Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) related to the Board Meeting and General Meeting have been complied with by the Company.

35. TRADEMARK

During the financial year under review, trademark application made by your company was successfully

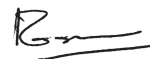
processed and the certificate of registration was granted by the Trademark Authority which is valid upto March 14, 2028. The trademark is in the name of "Kapston Facilities Management Limited" and is registered for providing security services. Trademark for facilities management services is under process.

36. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board



Dr. Chereddi Ramachandra Naidu

Place: Hyderabad

Date: August 26, 2019

Executive Chairman
(DIN 02096757)

Annexure I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L15400TG2009PLC062658
2.	Registration Date	31/01/2009
3.	Name of the Company	Kapston Facilities Management Limited.
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian non-government company.
5.	Address of the Registered office & contact details	Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad-500 072, Telangana, India. Phone No: +91 9848778241/42 e-mail ID: info@kapstonfm.com Website : www.kapstonfm.com
6.	Address other than R/O where all or any books of account and papers are maintained	1-98/9/3/23, Plot No. 12E, Jaihind Colony, Madhapur, Hyderabad- 500 081, Telangana, India. Phone No: +91 9848778243 +91 40 29806955 e-mail ID: info@kapstonfm.com
7.	Whether listed company	Yes. Listed on National Stock Exchange (Emerge).
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited CIN: U99999MH1994PTC076534 #306, Right Wing, Amrutha Ville, Opp. Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082. Contact details: 91-40-23374967/23370295, Fax: 91-04-2337 029 Email: bsshyd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Private Security Activities	801	41
2	House Keeping Services	Division 81 (811,812,813)	55

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[as on April 1, 2018]				No. of Shares held at the end of the year [as on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter’s									
(1) Indian									
a) Individual/ HUF	63,35,739	0	63,35,739	72.87	63,35,739	0	63,35,739	72.87	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	63,35,739	0	63,35,739	72.87	63,35,739	0	63,35,739	72.87	0
(2) Foreign									
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2).	63,35,739	0	63,35,739	72.87	63,35,739	0	63,35,739	72.87	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	2,61,600	0	2,61,600	3.01	9,600	0	9,600	0.11	(2.9)
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	13,08,000	27,765	13,35,765	15.36	5,25,570	4995	5,30,565	6.10	(9.26)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	7,32,000	27,405	7,59,405	8.73	18,17,805	0	18,17,805	20.91	12.18
c) Others (specify)									

Category of Shareholders	No. of Shares held at the beginning of the year [as on April 1, 2018]				No. of Shares held at the end of the year [as on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i. Non Resident Indians	2,400	0	2,400	0.03	0	0	0	0	(0.03)
ii. Clearing Members	0	0	0	0	1,200	0	1,200	0.01	(0.01)
Sub-total (B) (2)		55,170	23,59,170	27.13	23,54,175	4995	23,59,170	27.13	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	23,04,000	55,170	23,59,170	27.13	23,54,175	4995	23,59,170	27.13	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	86,39,739	55,170	86,94,909	100.00	86,89,914	4995	86,94,909	100.00	0

B) Shareholding of Promoter

S.No	Shareholder's Name	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Srikanth Kodali	58,17,839	66.91	76.22	58,17,839	66.91	76.22	0
2	Mr. Radha Krishna Pinnamaneni	3,56,755	4.10	0	3,56,755	4.10	0	0
3	Mrs. Kanti Kiran Doddapaneni	1,61,145	1.85	0	1,61,145	1.85	0	0
Total		63,35,739	72.86	-	63,35,739	72.86	-	0

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

S.No	Name of the Promoter	Date	Reason	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding end of the year March 31, 2019	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Srikanth Kodali	At the beginning		58,17,839	66.91	58,17,839	66.91
2	Mr. Radha Krishna Pinnamaneni	At the beginning		3,56,755	4.10	3,56,755	4.10
3	Mrs. Kanti Kiran Doddapaneni	At the beginning		1,61,145	1.85	1,61,145	1.85

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

S.No	Top 10 Shareholders	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding end of the year March 31, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sasikala.C.V.S	57,900	0.66	2,03,100	2.34
2	V Sudha Sarada	0	0	1,24,800	1.44
3	Nitin Siddamsetty	0	0	1,20,000	1.38
4	Ravya Kantheti	0	0	1,15,200	1.32
5	Chandra Kanth Chereddi	0	0	1,03,200	1.18
6	Hari Chereddi	0	0	1,03,200	1.18
7	Lekhya Kantheti	0	0	85,200	0.97
8	K.Satish	0	0	76,800	0.883
9	K.Swapna	0	0	73,200	0.84
10	Siva Bhaskara Naren Paturi	71505	0.82	71505	0.82

E) Shareholding of directors and key managerial personnel

S.No	Name of the Director/KMP	Date	Reason	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding during the year March 31, 2019	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Chereddi Ramachandra Naidu -Executive Chairman	April 01, 2018	At the beginning of the year	12,000	0.14	5,18,400	5.96
		March 31, 2019	At the end of the year	5,18,400	5.96		
2	Mr. Srikanth Kodali – Managing Director	April 01, 2018	At the beginning of the year	58,17,839	66.91	58,17,839	66.91
		March 31, 2019	At the end of the year	58,17,839	66.91		
3	Mr. Radha Krishna Pinnamaneni – Non Executive Director	April 01, 2018	At the beginning of the year	3,56,755	4.10	3,56,755	4.10
		March 31, 2019	At the end of the year	3,56,755	4.10		

S.No	Name of the Director/KMP	Date	Reason	Shareholding at the beginning of the year April 01, 2018		Cumulative shareholding during the year March 31, 2019	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mrs. Nagulavari Vanitha – Independent Director	April 01, 2018	At the beginning of the year	6,000	0.07	25,200	0.29
		March 31, 2019	At the end of the year	25,200	0.29		
5	Mrs. Kanti Kiran Doddapaneni – Non Executive Director	April 01, 2018	At the beginning of the year	1,61,145	1.85	25,200	0.29
		March 31, 2019	At the end of the year	1,61,145	1.85		
6	Mr. Naveen Nandigam – Independent Director	April 01, 2018	At the beginning of the year	0	0	2,400	0.02
		March 31, 2019	At the end of the year	2,400	0.02		
7	Mr. Brendon Thomas Pereira – Chief Financial Officer (CFO)	April 01, 2018	At the beginning of the year	12,000	0.14	24,000	0.28
		March 31, 2019	At the end of the year	24,000	0.28		
8	Ms. Amreen Gulnaaz – Company Secretary & Compliance officer	April 01, 2018	At the beginning of the year	2,670	0.03	1,470	0.02
		March 31, 2019	At the end of the year	1,470	0.02		

V) INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,665.65	444.68	-	2,110.33
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1,665.65	444.68	-	2,110.33
Change in Indebtedness during the financial year				
* Addition	16,623.56	889.26		17,512.82
* Reduction	15,935.34	1,138.82		17,074.16
Net Change	688.22	-249.57	-	438.65
Indebtedness at the end of the financial year				
i) Principal Amount	2,353.87	195.12	-	2,548.98
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total Indebtedness at the end of the Financial year	2,353.87	195.12	-	2,548.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

S.No	Particulars of Remuneration	Managing Director Mr. Srikanth Kodali	Executive Director Mrs. Kanti Kiran Doddapaneni	Executive Chairman Dr. Cherreddi Ramachandra Naidu	Total Amount
1	Gross salary	96	2.5	8.75	107.25
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit				
	- others, specify				
5	Others, please specify	0	0	0	0
	Total (A)	96	2.5	8.75	107.25

Notes :

- Dr. Cherreddi Ramachandra Naidu was appointed as Executive Chairman w.e.f August 30,2018
- Mrs Kanti Kiran Doddapaneni was re-designated as non-executive director w.e.f May 30,2018

B. Remuneration to other directors:

(₹ in lakhs)

S.No	Particulars of Remuneration	Other directors			Total
		Mrs.Vanitha Nagulavari	Mr. Naveen Nandigam	Dr. Chereddi Ramachandra Naidu	
		Independent Director	Independent Director	Independent Director (till Aug 30,2018)	
1	Sitting Fee	1	2	1	4

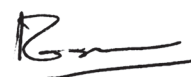
C. Remuneration to key managerial personnel other than MD/Manager/Whole-Time Director

(₹ in lakhs)

S.No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Brendon Thomas Pereira	Ms. Amreen Gulnaaz	Total
		Chief Financial Officer	Whole Time Company Secretary	
1	Gross salary	12	4.8	16.8
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	12	4.8	16.8

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

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

For and on behalf of the Board

Dr. Chereddi Ramachandra Naidu

Executive Chairman

(DIN 02096757)

Place: Hyderabad

Date: August 26,2019

Annexure II

ANNUAL REPORT ON CSR ACTIVITIES

Kapston believes in creating significant and sustainable societal value, inspired by a vision to actively contribute to the community by creating a positive impact on the life of people. Kapston has contributed the CSR amount to nonprofit organization and Section 8 companies who are carrying on CSR activities.

Kapston in compliance with the provision of Section 135, CSR activity as recommended by CSR Committee & approved by Board of Directors and in accordance with the CSR Policy adopted by the Company, Kapston identified the projects related to “Promoting Education”, “Promoting Gender Equality and Empowering Women” and invested CSR fund in those project. The details about the CSR expenditure is illustrated in the below table.

CSR vision:

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

CSR mission:

Contribution to the well-being of the community around us by supporting programs that bring about sustainable changes through education and gender equality and empowering women.

- The CSR policy may be accessed at <https://www.kapstonfm.com/images/PDF/CSR%20Policy.pdf>
- The CSR committee of the company is comprised of: Mr. Srikanth Kodali, Dr.Chereddi Ramachandra Naidu and Ms. N.Vanitha.
- Average net profit of the company for last three financial years: ₹ 5,16,84,374/-
- Prescribed CSR Expenditure (two per cent. of the amount as in item iii above): ₹ 10,33,687/-
- Details of CSR spent during the financial year.
 - Total amount to be spent for the financial year: ₹ 10,33,687/-
 - Amount unspent, if any; Nil
 - Manner in which the amount spent during the financial year is detailed below:

CSR Amount spent during the year 2018-19

S.No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on Project or programs. (2) Overheads: (₹)	Cumulative expenditure upto the reporting period (₹)	Amount Spent: Direct or through implementing agency
1	To promote education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	A program promoted by Abhaya Foundation for promotion of Education in "Government Upper Primary School" - Gagilapur Village, Sidhipet Dist, Telangana.	2,06,737	2,00,000	2,00,000	Amount spent through implementing agency "Abhaya Foundation" - a non profit organization
2	Empowering Women	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	"Society for Cyberabad Security Council" has took initiative to design and implement various program for empowering women.	8,26,950	9,00,000	9,00,000	Amount spent through implementing agency "Society for Cyberabad Security Council"
3	Contribution to Natural Calamity - as notified by Ministry of Corporate Affairs	As per notification - Kerala Relief Fund	Kerala Relief Fund	NA	100,000	100,000	Amount spent through implementing agency "Kutumbasree donation"
TOTAL				10,33,687	12,00,000	12,00,000	

For and on behalf of the Board



Chereddi Ramachandra Naidu
Executive Director
(DIN 02096757)



Srikanth Kodali
Chairman -CSR Committee
(DIN 02464623)

Place: Hyderabad
Date: August 26, 2019

Annexure III

Details of Ratio of Remuneration of Director

Pursuant to Rule 5(1) of Chapter XIII,
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19

Executive Director	Ratio Median Remuneration
Mr.Srikanth Kodali	32
Dr.Chereddi Ramachandra Naidu *	0.71
Mrs. Kanti Kiran Doddapaneni*	5

Dr. Chereddi Ramachandra Naidu was re-designated as Executive Chairman w.e.f August 30, 2018 and Mrs. Kanti Kiran Doddapaneni was re-designated as Non-Executive Director w.e.f May 30, 2018, the ratio median remuneration is for the part of the year.

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 2018-19)

Independent Directors	
Mr. Naveen Nandigam	0.66
Mrs. Vanitha Nagulavari*	0.33
Dr.Chereddi Ramachandra Naidu *	0.33

Dr. Chereddi Ramachandra Naidu who was Independent Director was appointed as Executive Chairman w.e.f August 30, 2018.

Mrs. Vanitha Nagulavari was appointed as Independent Director w.e.f August 30, 2018.

Since the information is for part of year the same is not comparable.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19.

Executive Director	Ratio Median Remuneration
Mr.Srikanth Kodali	17.07

There is no increase in remuneration of other Key Managerial Personnel (KMP).

iii) The percentage of increase in the median remuneration of employees in the financial year: 19.24%.

iv) The number of permanent employees on the rolls of the Company: 248

v) The median remuneration of employees of the Company during the financial year was ₹ 3.00 lakhs.

vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 compare to the increase in the managerial remuneration for the same financial year :
There is no increase in remuneration of Employees or Key Managerial Personnel during the financial year under review. The percentage increase in remuneration in point no ii above is a comparison of remuneration drawn in financial year ending 2018 and financial year ending 2019.

vii) Affirmation that the remuneration is as per the remuneration policy:

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

viii) The name of top ten employees in terms of remuneration drawn as prescribed in Rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014 is as follows :

Name	Designation	Remuneration p.a (Amount in ₹)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment Held Before Joining	Percentage of Equity Shares Held	Whether related to Director or Manager of the Company
M. V Vishnu Bhopal Rao	Chief Operating Officer	44,78,976	Permanent	Master's in technology (23 years of Experience)	November 20, 2013	47 Years	CBRE- DGM Operations	0.013	No
K. Satya Prakash	Associate Director-Sales	36,00,000	Permanent	M.Phil, MBA, MPA,BBA, DHIMCT (23 years of Experience)	November 14, 2012	43 Years	Cushman & Wakefield	0.027	No
Varundev Nair	General Manager-Skills	21,60,000	Permanent	BBA, BSC IT, PGDM (9 years of Experience)	August 01, 2013	33 Years	Indian Society of Agribusiness professionals (ISAP)	NA	No
Prasenjit Benerjee	Vice President	20,00,004	Permanent	MBA (33 years of experience)	December 01, 2017	54 Years	A2Z Infra Services	0.027	No
Nandula Srinivas Radhakrishna	Vice President-Sales	18,00,000	Permanent	MBA & FMP (22 Years of Experience)	August 16, 2018	51	KFMS Pvt Ltd	NA	No
C. Srinivas	General Manager	18,00,000	Permanent	Graduate in Commerce (15 years of experience)	July 5,2010	45 years	Black Belt Commands Security	0.027	No
D Kapil Kumar	Regional Manager-Sales	18,00,000	Permanent	MBA Marketing (14 years of Experience)	June 25, 2014	39 years	Wave Contracting Company Pvt Ltd - Sales Manager	NA	No
A Venu Madhav	Regional Manager-Sales	18,00,000	Permanent	Bachelor's in Science (15 years of Experience)	June 15, 2014	41 years	ISS SDB Security Services Pvt.Ltd	NA	No
PSRVSS Raju	General Manager	18,00,000	Permanent	Bachelor of Arts (15 years of Experience)	January 30, 2009	50 years	Self-employment	NA	No
S.Veera Raghava Rao	General Manager-Finance	13,80,000	Permanent	Master's in Commerce (43 years of Experience)	September 03, 2012	66 years	Dr.Reddy's Foundation	NA	No

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 Facilities Management Limited,
Hyderabad.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kapston Facilities Management Limited**, (hereinafter referred to as ("the Company")). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended **March 31, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India ('SEBI') thereunder;
- (iv) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (v) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Financial Year under review:-
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vi) The industry specific laws that are applicable to the Company are as follows:
- (a) Payment of Bonus Act, 1965
 - (b) Contract Labour (Regulation & Abolition) Act, 1970
 - (c) Minimum Wages Act, 1948
 - (d) Employees' State Insurance Act, 1948
 - (e) Employees' Provident Fund and Miscellaneous Provisions Act, 1952
 - (f) Payment of Gratuity Act, 1972
 - (g) Private Security Agencies (Regulation) Act, 2005
 - (h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - (i) Micro, Small and Medium Enterprises Development Act, 2006

I 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.

I 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.

I 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 Board of Directors:

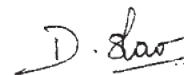
S.No.	Name of the Director	Appointment/ Reappointment/ Change in designation/ Cessation	Our Comments
1	Mrs. Kanti Kiran Doddapaneni	Change in designation	Re-designated from Whole-time Director to Non-Executive Director w.e.f May 30, 2018 in accordance with the provisions of Section 152 the Act.
2	Mr. Cherreddi Ramachandra Naidu	Change in designation	Re-designated from Independent Director to Executive- Director in accordance with the provisions of Section 152 of the Act and thereafter, appointed as the Executive Chairman w.e.f August 30, 2018
3	Mrs. Vanitha Nagulavari	Appointment	Appointed as an Independent Director for a term of five years w.e.f August 30, 2018.
4	Mr. Radha Krishna Pinnamaneni	Resignation	Resigned from the Board as a Non-Executive Director w.e.f July 01, 2019.

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.

I further report that, during the period under review, the Company has come out with the Initial Public Offer through SME Platform of National Stock Exchange of India Limited (NSE) and got its shares listed on the platform of NSE Emerge on April 04, 2018.

I 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.

I 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.



D.S. RAO

Practicing Company Secretary

M. No.: 12394

C.P. No.: 14487

Place: Hyderabad

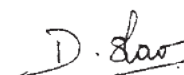
Date: August 26, 2019

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

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

My 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. My responsibility is to express an opinion on these Secretarial records based on our audit.
2. I 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. I 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.



D.S. RAO

Practicing Company Secretary

M. No.: 12394

C.P. No.: 14487

Place: Hyderabad
Date: August 26, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAPSTON FACILITIES MANAGEMENT LIMITED

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **KAPSTON FACILITIES MANAGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019,

the profit and 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 MATTER	RESPONSE TO KEY AUDIT MATTER
Trade Receivables Trade receivables as indicated in Note No 12 comprise a significant portion of the total assets of the Company and serve as security for a majority of the Company's short-term debt. Total debtors constitute 54.20% of the total assets of the company and the outstanding trade receivable are about 105 days of the total revenue. Accordingly, the value of receivables comprises a significant portion of the total assets of the company therefore it is considered a key audit matter.	Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following: <ul style="list-style-type: none">• Evaluate and test the controls for managing trade receivables like credit limits and subsequent recovery,• Assessing the recoverability of long out Standings,• Evaluation of status of disputes and possibility of recovery,• Seek independent confirmations and apply alternate audit procedures in case of non replies. Conclusion Our procedures did not identify any material exceptions.

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

The Company's Board of Directors is 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,

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 is 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, including the Accounting Standards referred to in Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken

into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal

financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the department of company affairs, in terms of section 143 (11) of the Companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Companies Act 2013, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Statement of Profit and Loss 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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)



R Srinivasu

Partner

M.No: 224033

Date: May 20, 2019
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 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”)

We have audited the internal financial controls over financial reporting of **KAPSTON FACILITIES MANAGEMENT LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial Controls over Financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purpose in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



R Srinivasu

Partner

M.No: 224033


Date: May 20, 2019

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 FACILITIES MANAGEMENT LIMITED of even date)

- i. In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii.
 - a) As explained to us, the physical verification of inventories, excluding stocks lying with third parties, have been conducted at reasonable intervals by the Management during the year. In case of inventories lying with third parties, certificates of stocks holding have been received.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act. Thus, Clause 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- viii. Based on our Audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised moneys by way of initial public offer or further public offer.

- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
 - xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
 - xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
 - xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
 - xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
 - xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- For NSVR & ASSOCIATES LLP.,**
Chartered Accountants
(FRN No.008801S/S200060)
- 
R Srinivasu
Partner
M.No: 224033
- Date: May 20, 2019
Place: Hyderabad


BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

Particulars	Notes	As at 31-03-19	As at 31-03-18
EQUITY AND LIABILITIES:			
1. Share holders funds			
a) Share Capital	3	86,949,090	86,949,090
b) Reserves & Surplus	4	260,508,524	174,935,017
2. Non-current Liabilities			
a) Long Term Borrowings	5	56,546,342	76,515,428
3. Current Liabilities			
a) Short Term Borrowings	6	185,044,443	91,231,049
b) Trade Payables	7	18,532,016	21,030,223
c) Other Current Liabilities	8	148,938,911	160,401,345
d) Short Term Provisions	9	9,785,903	20,362,298
TOTAL		766,305,229	631,424,450
ASSETS:			
1. Non-Current Assets			
a) Fixed Assets			
Tangible Assets	10	140,322,162	137,295,689
b) Deferred Tax Asset(Net)	11	19,844,433	6,880,287
2. Current Assets			
a) Inventories		21,584,570	7,465,802
b) Trade Receivables	12	415,322,535	229,341,891
c) Cash and Cash Equivalents	13	21,295,779	137,423,671
d) Other Current Assets	14	92,118,775	56,932,528
e) Short Term Loans and Advances	15	55,816,975	56,084,582
TOTAL		766,305,229	631,424,450

Notes on Accounts & Significant accounting policies 1 & 2

As per our report of even date
NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060


R. Srinivasu
Partner
M.No:224033

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED


Srikanth Kodali
Managing Director
DIN:02464623


Brendon Thomas Pereira
Chief Financial officer


Kanti Kiran Doddapaneni
Director
DIN 07420023


Amreen Gulnaaz
Company Secretary
M.No ACS47889


Date: May 20, 2019
Place: Hyderabad

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

PARTICULARS	NOTES	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
Income:			
Revenue From Operations	16	1,472,303,769	1,184,519,125
Other Income	17	467,532	556,511
Total Revenue		1,472,771,301	1,185,075,636
Expenses:			
Cost of Materials consumed	18	25,578,501	13,588,438
Employee Benefits	19	1,258,344,873	1,002,105,654
Finance costs	20	25,339,126	25,923,767
Depreciation	10	12,833,640	12,063,517
Other Expenses	21	55,439,185	57,640,652
Total Expenditure		1,377,535,325	1,111,322,028
Profit/(Loss) Before Prior Period Item		95,235,976	73,753,608
Prior Period Items		-	1,028,842
Profit/(Loss) Before Tax		95,235,976	74,782,450
Tax Expense			
Less: Current Tax		22,626,615	18,182,203
Add: Deferred Tax Asset		12,964,146	3,549,881
Profit/(Loss) after tax		85,573,507	60,150,128
Equity			
Other Equity			
Earnings Per Equity share			
(1) Basic		9.84	6.92
(2) Diluted		9.84	6.92
Notes on Accounts & Significant accounting policies 1 & 2			

As per our report of even date
NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060


R. Srinivasu
Partner
M.No:224033

Date: May 20, 2019
Place: Hyderabad

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED


Srikanth Kodali
Managing Director
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Kanti Kiran Doddapaneni
Director
DIN 07420023



Amreen Gulnaaz
Company Secretary
M.No ACS47889

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

Particulars	As at 31-03-19	As at 31-03-18
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	95,235,976	74,782,450
Adjusted for :		
Interest debited to P&L A/c	25,339,126	25,923,766
Gratuity Provision	3,591,124	2,180,095
Profit on Sale Fixed Assets	(269,812)	-
Depreciation	12,833,640	12,063,517
Operating profits before working capital changes	136,730,054	114,949,828
Changes in current assets and liabilities		
Inventories	(14,118,768)	(6,180,652)
Sundry debtors	(185,980,644)	(56,340,619)
Other Current assets	(13,486,350)	2,861,105
Short term advances	267,607	(50,932,143)
Current Liabilities		
Short Term Borrowing	-	-
Sundry Creditors	(2,498,207)	9,492,525
Other Current Liabilities	23,979,129	(11,281,254)
Other Short Term Provisions	(36,794,133)	(3,369,999)
Cash generated from operations	(91,901,312)	(801,209)
Income tax paid	(21,699,897)	(22,647,536)
Net cash generated from operating activities	(113,601,209)	(23,448,745)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in capital wip	(15,925,302)	(46,327,536)
Sale of Fixed Assets	335,000	-
Net cash used in investing activities	(15,590,302)	(46,327,536)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Secured and Unsecured Loans		
Longterm Loans and advances	(19,969,086)	37,836,585
Borrowings	58,371,831	55,620,230
Interest paid	(25,339,126)	(25,923,766)
Increase in share Capital	-	11,520,000
Share Premium	-	94,464,000
Advance to IPO Expenses	-	2,160,000
Net cash generated in financing activities	13,063,619	175,677,049
D. Net increase / (decrease) in cash and cash equivalents	(116,127,892)	105,900,768
E. Cash and cash equivalents at the beginning of the year	137,423,671	31,522,903
F. Cash and cash equivalents at the end of the year	21,295,779	137,423,671

As per our report of even date
NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060


R. Srinivasu
Partner
M.No:224033

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED


Srikanth Kodali
Managing Director
DIN:02464623


Brendon Thomas Pereira
Chief Financial officer


Kanti Kiran Doddapaneni
Director
DIN 07420023


Amreen Gulnaaz
Company Secretary
M.No ACS47889

Date: May 20, 2019
Place: Hyderabad

Notes on Accounts

Note 3 - Share Capital

(Amount in ₹)

Particulars	31-03-19	31-03-18
Authorised Share Capital		
90,00,000 Equity Shares of ₹ 10/- each	90,000,000	90,000,000
(Previous year 90,00,000 Equity Shares of ₹ 10/- each)		
Issued Subscribed & fully Paidup Capital		
86,94,909 Equity Shares of ₹ 10/- each of which 74,74,175 shares are issued as bonus shares	86,949,090	86,949,090
(Previous year 86,94,909 Equity Shares of ₹ 10/- each of which 74,74,175 shares are issued as bonus shares)		
Total	86,949,090	86,949,090

3.1 Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is having equal rights with reference to voting and dividend in proportionate to their share holding.

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of shares	Amount(₹)	No of shares	Amount(₹)
Shares outstanding :				
At the beginning of the year	8,694,909	86,949,090	1,396,835	13,968,350
Issued during the year				
For Cash	-	-	1,152,000	11,520,000
Other than Cash(Bonus Shares)	-	-	6,146,074	61,460,740
Shares outstanding at the end of the year	8,694,909	86,949,090	8,694,909	86,949,090

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 31.03.2019		As at 31.03.2018	
	No.of shares held	(%) of holding	No.of shares held	(%) of holding
Mr. Srikanth Kodali	5,817,839	66.91%	5,817,839	66.91%
Dr. Chereddi Ramachandra Naidu	518,400	5.96%	12,000	0.14%

Note 4 - Reserves and Surplus

Balance in Statement of Profit and Loss	As at 31.03.2019	As at 31.03.2018
Profit & Loss Account		
Opening Balance	84,862,995	86,173,607
Add: Current Year Profit	85,573,507	60,150,128
Less: Utilised towards Issue of Bonus Shares	-	61,460,740
	170,436,502	84,862,995
Securities Premium		
Opening Balance	90,072,022	4,698,720
Add: Addition during the Year	-	94,464,000
Less: Share Issue Expenses	-	9,090,698
	90,072,022	90,072,022
Total	260,508,524	174,935,017

Note 5 - Long term borrowings

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Loans from Banks & Financial Institutions		
Secured*	56,214,304	67,323,719
Unsecured**	332,038	9,191,709
Total	56,546,342	76,515,428

* Secured loans includes, Vehicles loans which are secured by hypothecation of vehicles financed by respective banks and financial institutions . (For details refer Note No. 23)

* Secured loans includes loans from NSDC by hypothecation of equity shares (For details Refer Note No. 23)

** The Company availed Unsecured Business Loans from banks and Non Banking Financial Institutions. (For details Refer Note No. 23)

Note 6 - Short term borrowings

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Borrowings from Banks & Financial Institute		
Secured*	170,044,443	90,398,049
b) Loans and Advances from related parties		
Unsecured **	15,000,000	833,000
Total	185,044,443	91,231,049

* Short term secured loans are Working Capital loans which are secured by hypothecation of Stocks & Receivables (present & future) of the Company, payable on demand.

** The Company availed Unsecured Business Loans from Non Banking Financial Institutions. (For details Refer Note No. 23)

Note 7 - Trade Payables

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Trade payables		
Creditors for Material Suppliers	10,071,763	10,032,103
Creditors for Services	4,919,150	7,124,018
Creditors for Training Projects	3,541,103	3,874,102
Total	18,532,016	21,030,223

Note 8 - Other Current liabilities

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory Dues Payable	63,564,934	59,481,991
Rent Payable	-	-
Salaries payable	7,039,945	5,946,233
Wages payable	58,162,856	30,175,712
Expenses Payable	1,908,162	7,581,965
Current Maturities of Long term Borrowings	13,307,495	48,749,058
Advance Received for Traing Projects	3,881,615	6,857,727
Expenses Payable of Projects	1,073,904	1,608,659
Total	148,938,911	160,401,345

Note 9 - Short term Provisions

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for tax (net)	4,014,684	18,182,203
Provision for Gratuity	5,771,219	2,180,095
Total	9,785,903	20,362,298

Note 10 - Note Of Fixed Assets & Depreciation Statement For The Year Ended 31.03.2019 (Amount in ₹)

Sl. No.	Name of the Asset	Useful Life (Years)	Gross Block				Depreciation				Net Block	
			As at 01-04-18	Additions	Deductions	Total	Upto 31.03.2018	For the year upto 31.03.2019	Deductions	Total	As at 31.03.2019	As at 31.03.2018
1	Office Equipment	5	8,037,295	2,384,040		10,421,335	3,942,295	2,336,388		6,278,683	4,142,652	4,095,000
2	Cell Phone	5	1,184,018	874,872		2,058,890	542,870	483,724		1,026,594	1,032,296	641,148
3	Plant and Machinery	12	167,644	0		167,644	49,684	53,773		103,457	64,187	117,960
4	Furniture & Fixtures	10	3,121,816	138,314		3,260,130	2,055,688	305,844	-	2,361,532	898,598	1,066,128
5	Vehicles	8	55,748,249	11,322,212	79,827	66,990,634	32,760,829	8,857,473	14,639	41,603,663	25,386,971	22,987,420
6	Live Stock	8	75,674	0		75,674	23,636	16,253		39,889	35,785	52,038
7	Computer	3	4,577,258	1,005,864		5,583,122	3,740,050	780,185		4,520,235	1,062,887	837,208
8	Land		107,498,786	200,000		107,698,786	-		-	-	107,698,786	107,498,786
Total : -			180,410,740	15,925,302	79,827	196,256,215	43,115,052	12,833,640	14,639	55,934,053	140,322,162	137,295,688

Note 11 Deferred Tax Asset

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance	6,880,287	3,330,406
Add/(Less): Deferred Tax(Asset)/Liability	12,964,146	3,549,881
Total	19,844,433	6,880,287

Note 12 Trade Receivables

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Trade receivables outstanding for a period exceeding 6 months from the due date	1,773,380	189,078
Trade receivables o/s for a period not exceeding 6 months from the due date	413,549,155	229,152,813
Total	415,322,535	229,341,891

Note 13 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Cash in hand	626,297	1,950,089
(b) Balances with banks		
In Current Accounts	13,570,938	133,634,537
- Deposits against Bank Guarantees	7,098,544	1,839,044
Total	21,295,779	137,423,670

Note 14 Other Current Assets

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Balances with government authorities		
(i) TDS receivable	10,029,567	20,718,319
(b) Deposits		
(i) Rental and Other Deposits	6,446,333	7,515,409
Prepaid Expenses	1,336,024	1,112,974
TDS Recoverable On Financial Charges	265,878	643,948
Taxes paid against Income Tax Appeal A Y 2014-15	14,414	14,414
Other Advances	496,897	1,801,384
Service Tax Paid Against Appeal	246,034	213,452
Receivables for Training Projects	73,283,628	24,912,628
Total	92,118,775	56,932,528

Note 15 Short Term Loans and Advances

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
Staff Advances	55,130,572	55,934,582
Advance to Supplier	686,403	150,000
Total	55,816,975	56,084,582

Note: 16 Revenue from operations

(Amount in ₹)

Particulars	For the year ended 31-03-19	For the year ended 31-03-18
Sale of services		
(a) House Keeping	601,721,597	433,545,708
(b) Security Service Charges	812,997,898	676,738,456
(c) Grants Received from Ministry of Rural Development and Government of India for DDU - GKY skill Projects	57,584,274	74,234,961
Total	1,472,303,769	1,184,519,125

Note: 17 Other Income

(Amount in ₹)

Particulars	For the year ended 31-03-19	For the year ended 31-03-18
Interest Received	171,782	280,681
Interest on TDS Refund	-	260,888
Misc Income	25,938	14,942
Profit on Sale of Fixed Assets	269,812	-
Total	467,532	556,511

Note: 18 Changes in Inventory

(Amount in ₹)

Particulars	For the year ended 31-03-19	For the year ended 31-03-18
Opening Stock	7,465,802	1,285,150
Purchases	39,697,269	19,769,090
Closing Stock	21,584,570	7,465,802
Cost of Materials consumed	25,578,501	13,588,438

Note: 19 Employee Benefits

(Amount in ₹)

Particulars	For the year ended 31-03-19	For the year ended 31-03-18
Wages	1,037,833,626	784,481,667
Expenses for Ministry of Rural Development and Government of India for DDU - GKY skill Projects	57,584,274	74,234,961
Salaries	70,530,491	31,137,061
Director Remuneration (Managing Director's)	9,600,000	8,200,000
Other Employee Benefits	82,796,482	104,051,965
Total	1,258,344,873	1,002,105,654

Note: 20 Finance cost

(Amount in ₹)

Particulars	For the year ended 31-03-19	For the year ended 31-03-18
Interest on Vehicle loans	2,315,679	2,436,451
Interest on Business Loans	3,211,589	10,049,332
Interest on Bank O/D	17,576,584	9,108,764
Bank Charges	1,659,945	2,523,238
Interest on Term Loans	575,329	860,546
Finance Charges	-	945,436
Total	25,339,126	25,923,767

Note: 21 Other Expenses

(Amount in ₹)

Particulars	For the year ended 31-03-19	For the year ended 31-03-18
Advertisement Charges	853,538	340,330
Audit Fees	500,000	500,000
Business Promotion Expenses	1,946,548	7,178,530
Consultancy Charges	5,791,725	3,041,568
Conveyance	4,035,178	7,239,041
Electricity Charges	645,348	641,245
Donation	4,708,872	1,876,716
Insurance	1,730,793	1,266,302
Rates and Taxes	4,968,956	11,503,513
Office Maintenance	3,145,155	2,894,758
Postage and Telegram	180,400	232,753
Printing and Stationery	2,158,438	1,865,035
Rent Paid	4,166,689	3,361,298
Internet Charges	411,894	341,940
Telephone Charges	1,586,928	1,727,136
Travelling Expenses	4,028,068	1,859,133
Computer Maintenance	174,777	353,399
Vehicle Maintenance	5,587,733	3,094,602
NSDC Expenditure	7,577,737	7,307,310
Kennels (Dog Training Exp)	1,240,408	1,016,043
Total	55,439,185	57,640,652

Note: 22 Obligations towards operating leases

The company has entered into operating lease arrangements for its premises at various locations.

Future minimum lease payments	
not later than one year	4,843,944
later than one year and not later than five years	9,687,888
later than five years	-

The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the

company for operating of offices:	
On account of Lock-in Period	-
On account of Notice Period	-

Note: 23 Working Capital Loan / Term Loan/ Vehicle Loans:**(A) Working Capital Loan from HDFC Bank:****Rate of Interest:**

Over Draft from HDFC Bank: Interest at the rate of MCLR +1.85%

Margin:

25% receivables not older than 90 days

Primary Security:

Hypothecation of stock of Raw Material, Consumables, Work in Progress, Finished Goods & Assignment of receivables.

Collateral Security:

- a) Hypothecation of Villa No.120, House 15-31-IFF/120, In S.y No 1009 situated at Indu Fortune fields, Phase-XIII, KPHB Colony, Kukatpally, Hyderabad-500072, having Market value of ₹ 3.51 Crores, Standing in the name of Mr. Srikanth Kodali.
- b) Hypothecation of Land in S.Y.51, situated at nacharam Village, Maheswaram Mandal, Rangareddy Dist.- 500083, Standing in the name of Mr. Srikanth Kodali.

Terms of Repayment:

Working Capital Loans repayable on demand.

(B) Term Loan NSDC:

Moratorium & Repayment Schedule: Principal Moratorium Period : 3 years from the date of first reimbursement, no Interest Moratorium Repayment Period: 10Years (Including Moratorium Period) from date of first disbursement

Repayment: In 28 Quarterly Instalments Starting from Q1 of 4th Year

Rate of Interest : 6% Per Annum

Security:

1. First charge on assets on the project, 2. First charge on Cash flow of the Project, 3. Charge on IP of the project till the loan is repaid 4. Pledge of 51% of equity shares of the Project implementing company by Mr. Srikanth Kodali Additional Collateral: Personal Guarantee provided by both the promoters Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni

(C) Vehicle Loans from Banks:

Rate of Interest:

- 1 HDFC Jaguar Vehicle Loan:@ 9.86% per annum
- 2 HDFC Porche vehicle Loan:@ 9.36% per annum
- 3 Canara bank Tavera Vehicle Loan: @ 10.20% per annum
- 4 Canara bank audi Car Loan: @ 8.90 % per annum
- 5 HDFC Volvo vehicle Loan:@ 8.85% per annum
- 6 HDFC TATA Sumo vehicle Loan:@ 9.25% per annum
- 7 Cholamandalam investment and Finance Co Ltd @ 11.50 per annum

Security:

Vehicles loans are secured by hypothecation of vehicles financed by respective banks.

Terms of Repayment:**1 HDFC Jaguar Vehicle Loan:@ 9.86% Per Annum**

This Loan is repayable in 60 monthly installments of ₹ 2,20,550/- each commencing from July, 2015

Status as on 31.03.2019 : Balance No. of Installments -15

2 HDFC Porche vehicle Loan:@ 9.36% Per Annum

This Loan is repayable in 60 monthly installments of ₹ 280,910/- each commencing from July, 2016

Status as on 31.03.2019 : Balance No. of Installments -27

3 Canara bank Tavera Vehicle Loan: @ 10.20% Per Annum

This Loan is repayable in 84 monthly installments of ₹ 15,034/- each commencing from Jan, 2016

Status as on 31.03.2019 : Balance No. of Installments - 44

4 Canara bank audi Car Loan: @ 8.90 % Per Annum

This Loan is repayable in 60 monthly installments of ₹ 1,63,608/- each commencing from September, 2017

Status as on 31.03.2019 : Balance No. of Installments -41

5 HDFC Volvo vehicle Loan:@ 8.85% Per Annum

This Loan is repayable in 60 monthly installments of ₹ 1,76,816/- each commencing from November, 2018

Status as on 31.03.2019 : Balance No. of Installments -55

6 HDFC TATA Sumo vehicle Loan:@ 9.25% Per Annum

This Loan is repayable in 36 monthly installments of ₹ 27,691/- each commencing from December, 2018

Status as on 31.03.2019 : Balance No. of Installments -32

7 Cholamandalam investment and Finance Co. Ltd

Rate of Interest: @ 11.50% per annum

Security : Secured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 40,002/- each commencing from July, 2018

Status as on 31.03.2019 : Balance No. of Installments -15

(D) Unsecured Business Loans from Banks & Financial Institutions:

From Banks:

1 HDFC Bank Limited

Rate of Interest: @ 18.5% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 2,41,840/- each commencing from June , 2017

Status as on 31.03.2019 : Balance No. of Installments -2

2 Standard Chartered Bank Limited

Rate of Interest: @16.50% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of ₹ 88,511/- each commencing from August, 2017

Status as on 31.03.2019 : Balance No. of Installments -16

(E) From Financial Institutions:

1 Equitas Small Finance Bank Limited

Rate of Interest: @ 18.50% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 2,00,670/- each commencing from June, 2017

Status as on 31.03.2019 : Balance No. of Installments -2

2 Fulletron India

Rate of Interest: @ 18.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 2,49,621/- each commencing from August, 2017

Status as on 31.03.2019 : Balance No. of Installments -4

3 Sri Ram city Union Finance Limited

Rate of Interest: @ 20.00% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 1,52,668/- each commencing from August, 2017

Status as on 31.03.2019 : Balance No. of Installments -4

4 Tata Capital Financial Services Limited

Rate of Interest: @ 17.71% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 1,79,727/- each commencing from June, 2017

Status as on 31.03.2019 : Balance No. of Installments -2

5 Aditya Birla Finance Limited

Rate of Interest: @ 18% per annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 2,50,831/- each commencing from June , 2017

Status as on 31.03.2019 : Balance No. of Installments -2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Note: 1 General Information

Kapston Facilities Management Limited (“the Company”) (CIN: L15400TG2009PLC062658) is engaged in the business of rendering security and related services, training and facility management, Housekeeping and cleaning services. The company has registered office at Hyderabad and provides services major cities all over India. The Equity Shares of the company are listed on NSE Emerge an SME Platform.

Note: 2 Summary of Significant Accounting Policies

2.1 Basis of Accounting;

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the provisions section 133 of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use. Management evaluates all relevant issues or revised accounting standards on an ongoing basis.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles that are followed by the company.

2.2 Use of Estimates;

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Contingencies and events occurring after the balance sheet date (AS 4);

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

2.4 Fixed Assets, Depreciation and Intangible Assets (AS 10, 6 & 26);

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they related to the period till such assets are ready to be use.

Depreciation on fixed assets is being provided on straight line method at the rates in the manner specified in Schedule II of the Companies Act, 2013. Depreciation on assets sold during the year is being provided at their respective rates up to the date on which such assets are sold. Depreciation / Amortization of Intangibles is in compliance with AS 26 to the extent applicable.

2.5 Capital Work-In-Progress (AS 10)

Capital Work-In-Progress is carried at cost, comprising direct cost and related Incidental expenses.

2.6 Government Grants (AS 12)

- i) The grants or subsidies received towards promoter’s contributions are treated as capital receipts and credited to capital reserves.
- ii) The grants or subsidies received relating to specific fixed assets are shown as deduction from the cost of the respective assets concerned in arriving at its book value.
- iii) The grant in the form of revenue subsidy is treated as revenue receipt and credited to “Other Income” in statement of Profit and Loss.

2.7 Borrowing Cost (AS 16);

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. The same is in compliance with AS-16 to the extent applicable.

2.8 Investments (AS 13);

- i) Investments are capitalized at actual cost including costs incidental to acquisition.
- ii) Investments are classified as long-term or current at the time of making such investments.
- iii) Long-term investments are individually valued at cost, less provision for diminution that is other than temporary. Investments held in Subsidiary Companies are stated at cost.
- iv) Current investments are valued at the lower of cost and market value.

2.9 Inventories (AS 2);

- i) Inventories consists of consumables, tools and others are valued at cost or Net Realizable Value.
- ii) Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition

2.10 Revenue Recognition (AS 9);

i) Sale of Services:

Revenue from rendering of Services is recognized when service is performed, in case of proportionate completion of services revenue is recognized on proportionate basis.

ii) Other revenue:

Interest: Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.

2.11 Retirement and other employee benefits (AS 15);

Defined Contribution Plan: The company makes defined contribution to Provident Fund, which are recognized in the Profit and Loss Account on accrual basis.

2.12 Provision for Current tax, and Deferred tax (AS 22);

Provision for current tax is made based on estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

2.13 Cash Flow Statement (AS 3);

The Cash Flow Statement is prepared by indirect method set in Accounting Standard 3 on cash flow statement and presents the cash flows by Operating, Investing and Finance activities of the company. Cash and cash equivalents presented in cash flow consists of cash in hand, cheques in hand, bank balances.

2.14 Provisions, Contingent Liabilities and Contingent Assets (AS 29);

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation because of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent Liabilities, Commitments And Contingent Assets.

- i) The Company has filed an appeal against the order of the commissioner of service tax (Appeals), Hyderabad in order-in- appeal No. HYD-EXCUS-004-APP-0116-17-18 ST dated 20.06.2017.

S No	Name of the Statue	Nature of Dues	Disputed Amount	Period	Forum Where Dispute is pending	Amount Deposited towards disputed demand amount	Remarks
1	Finance Act, 1994	Service Tax	11,72,221/-	2011-12 to 2013-14	CESTAT	2,13,452/-	Nil

- ii) Bank Guarantees

S No	Name of the Bank	Amount of Guarantee as on 31.03.2019	Remarks
1	HDFC Bank Limited	2,84,94,190	-

2.15 Impairment of Assets (AS 28);

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.16 Leases (AS 19);

Operating lease payments and finance lease payments are recognized as expenses in the profit and loss account as per the terms of the agreements which is representative of the time pattern of the users' benefit.

2.17 Extra-ordinary and Exceptional items & Changes in Policies (AS 5);

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately.

2.18 Earnings Per Share (AS 20);

The Basic earnings per share is calculated considering the weighted average number of equity shares outstanding during the year.

The Diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

Particulars	2018-19	2017-18
Profit/(Loss) after tax (net profit attributable to Equity Shareholders).	85,573,507	60,150,128
Equity shares outstanding during the year.	86,94,909	86,94,909
Earnings per share (Basic & Diluted)	9.84	6.92

II- EXPLANATORY NOTES

1. Managerial Remuneration

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with Companies operating in similar industries in India.

Managerial remuneration was paid as set out below:

Name of the Person	Designation	2018-19	2017-18
Mr. Kodali Srikanth	Managing Director	96,00,000	82,00,000
Mrs. Kanti Kiran Doddapaneni	Director (Whole-time Director till May 30, 2018)	2,50,000	9,00,315
Dr. Chereddi Ramachandra Naidu	Executive Chairman	8,75,000	Nil
Total		1,07,25,000	90,00,315

2. Auditor Remuneration

PARTICULARS	2018-19	2017-18
Statutory Audit	5,00,000	5,00,000
Total	5,00,000	5,00,000

3. IPO funds raised and utilization

Sr. No.	Particulars	Projected utilization of funds as per Prospectus	Actual utilization of funds FY ended March 31, 2019	Un-utilized amount *
1	Part finance Working Capital Requirement	660.75	660.75	-
2	Part Repayment of unsecured Loans	200.00	200.00	-
3	General Corporate Purpose	99.09	99.09	-
4	Issue Related Expenses Company Portion	100.00	100.00	-
	Total	1059.84	1059.84	-

* Shares offered in IPO were allotted on March 28, 2018 and listed on April 4, 2018 hence, the amount was lying in the Escrow Account as on March 31, 2018 and the same is utilized during the financial year 2018-19. The Company has submitted "certificate for utilization of funds" under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to concerned stock exchange as on July 12, 2018 intimating that the funds were completely utilized.

4. Disclosures under the Micro, Small and Medium Enterprises Act, 2006

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

Particulars	As at March 31, 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	NIL
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	NIL

5. Disclosure under AS – 18: Related Party Disclosures

List of Related Parties and their Relationships:

KEY MANAGEMENT PERSONNEL (KMP) & DIRECTORS		
Sl. No.	Name of the Person	Designation
1	Mr. Srikanth Kodali	Managing Director
2	Dr. Chereddi Ramachandra Naidu	Executive Chairman
3	Mr.Naveen Nandigam	Director
4	Mr.Radha Krishna Pinnamaneni	Director
5	Mrs.Kanti Kiran Doddapaneni	Director
6	Mrs. Vanitha Nagulavari	Director
7	Mr.Brendon Thomas Pereira	Chief Financial Officer
8	Ms.Amreen Gulnaaz	Company Secretary

Transactions / Balances with Related Parties

(Amount in ₹)

NATURE OF TRANSACTION	MR. SRIKANTH KODALI	MRS. KANTI KIRAN DODDAPANENI	DR. CHEREDDI RAMACHANDRA NAIDU
1. Managerial Remuneration/ Remuneration	96,00,000	2,50,000	8,75,000
2. Loans accepted	8,02,15,630	Nil	Nil
3. Loans repaid	6,52,15,630	Nil	Nil

Remuneration paid to other Key Managerial Personnel

(Amount in ₹)

MR.BRENDON THOMAS PEREIRA	MS.AMREEN GULNAAZ
12,00,000	4,80,000

Sitting fee paid to Independent/ Non Executive Director

MR.NAVEEN NANDIGAM	MRS. VANITHA NAGULAVARI	DR. CHEREDDI RAMACHANDRA NAIDU
200,000	100,000	100,000

Closing Balance with Related Parties (Debit / (Credit))

Name of the Party	Amount in Rs (As at March 31, 2019))
Mr. Srikanth Kodali	1,50,00,000/-(Cr)

6 Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Travel Expenses	Nil	Nil
Professional Fees	Nil	Nil
Other expenses	Nil	Nil
Total	Nil	Nil

Earnings in Foreign currency

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
FOB Value of Exports	Nil	Nil
Dividend	Nil	Nil
Total	Nil	Nil

7 Disclosure under AS – 22: Accounting for Taxes on Income

Major components of Deferred Tax, arising on account of Timing Differences

PARTICULARS	As at March 31, 2019 (in ₹)
Deferred Tax Assets on 01.04.2018	68,80,287
Depreciation & Amortization Assets	15,44,176
Deductions in respect of certain benefits under the Income Tax Act, 1961	11,419,970
Previous year expenses now allowed	-
Net Deferred Tax Assets as at March 31, 2019	1,98,44,433

In accordance with "Accounting Standard 22", the Company has recognized in its Profit & Loss Account a sum of ₹ 1,29,64,146/- as Deferred Tax.

8 Comparatives, Disclosures & Rounding off Numbers:

The previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary. Numbers/Balances have been rounded off hence, there may be a difference to the extent of ₹ 2/- between numbers stated in Schedules and in the financial statements in comparison to the schedules.

As per our report of even date
NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060


R. Srinivasu
Partner
M.No:224033

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED


Srikanth Kodali
Managing Director
DIN:02464623


Brendon Thomas Pereira
Chief Financial officer


Kanti Kiran Doddapaneni
Director
DIN 07420023


Amreen Gulnaaz
Company Secretary
M.No ACS47889

Date: May 20, 2019
Place: Hyderabad

Notice of the Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting (AGM) of the shareholders of the Company will be held on Friday, September 27, 2019, at 11.30 a.m. at Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033, 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, 2019 together with the reports of the board of directors ('the Board') and auditors thereon.
2. To appoint a Director in place of Mrs. Kanti Kiran Doddapaneni (DIN: 07420023), who retires by rotation and being eligible, offers herself for re-appointment as a Director.

By order of the Board



Amreen Gulnaaz

Company Secretary

M.No A47889

Place: Hyderabad

Date: August 26, 2019

Registered Office

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

Notes

1. A shareholder entitled to attend and vote at the 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 term of the provisions of section 152 of the Companies Act, 2013, Mrs. Kanti Kiran Doddapaneni, Director, retire by rotation at the AGM. Nomination and Remuneration Committee and the Board of Directors of the Company commend her re-appointment.

Mrs. Kanti Kiran Doddapaneni being related to Mr. Srikanth Kodali may be deemed to be interested. Save and except the above, none of the Director or Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under item no.2 of the notice.

Details of Mrs. Kanti Kiran Doddapaneni, 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.
6. The cutoff date for dispatch of Annual Reports to shareholders is August 23, 2019.
7. Pursuant to the Regulation 36 of the SEBI (LODR) Regulation, 2015 the company is sharing all the documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Shareholders are requested to

support this green initiative by registering/updating their e-mail address for receiving electronic communication. The members will be entitled to a physical copy of the annual report for the financial year 2018-19, free of cost, upon sending a request to the Compliance Officer/Company Secretary at the Corporate office of the Company # 1-98/9/3/23, Plot No 12 E, Jahind Colony, Madhapur, Hyderabad-500081.

8. Pursuant to section 108 of the Companies Act, 2013, read with rules 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given separately.
9. Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM.
10. Shareholders are requested to intimate, immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts.
12. Pursuant to section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests

in Form No. SH-13 to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14, to the Registrar and Transfer Agent of the Company.

13. All documents referred to in the accompanying notice will be available for inspection at the corporate office of the company during business hours on all working days up to the date of declaration of the result of the 11th AGM of the Company.
14. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of name appears as per the Register of Members of the Company will be entitled to vote.
15. Route map to the venue of the AGM is published elsewhere in the Annual Report.

By order of the Board
For Kapston Facilities Management Limited



Amreen Gulnaaz
Company Secretary
M.No A47889

Place: Hyderabad
Date: August 26, 2019

Registered Office

Kapston Facilities Management Limited
Plot No.287,MIG-2, IX Phase KPHB,
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Website:www.kapstonfm.com

Guidelines for Electronic Voting

Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-voting facility to the shareholders to cast their vote on all resolutions set forth in the notice convening the 11th Annual General Meeting (AGM) to be held on Friday, September 27, 2018 at 11.30 a.m. The Company has engaged the services of Central Depository Service Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members/List of Beneficial Owners as on September 20, 2019 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Tuesday, September 24, 2019 at 9.00 a.m and will end on Thursday, September 26, 2019 at 5.00 p.m. During this period, shareholders of the Company, as on the cutoff 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.

PROCEDURE FOR E-VOTING:

Instructions for members for voting electronically are as under:

A. In case of members receiving e-mail (for members whose e-mail addresses are registered with the Company/Registrars)

- i) The shareholders should log on to the e-voting website www.evotingindia.com.
- ii) Click on Shareholders.
- iii) 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,
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) Shareholders holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first-time user follow the steps given below:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.
	* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth	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
	<ul style="list-style-type: none">In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) Members 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.
- (ix) Click on the EVSN for the relevant **"Kapston Facilities Management Limited"** on which you choose to vote.
- (x) 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.
- (xi) Click on the "Resolution file link" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "Confirm" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If 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.
- (xvi) Members can also cast their vote using CDSL's mobile app "m-Voting" available for Android based mobiles. The m-Voting app can be

downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy of notice of 11th Annual General Meeting by courier (for members whose e-mail ids are not registered with the Company/Depositories)

Please follow all the steps from S.No. (i) to S.No (xvi) to cast vote.

Annexure to the explanatory statement pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by The Institute of Company Secretaries of India, information about the directors who is seeking re-appointment

Item No.2

A	Name	Mrs. Kanti Kiran Doddapaneni
	Directors Identification Number	07420023
B	Brief Resume	
	i) Age (Date of Birth)	40 Years (August 16,1979)
	ii) Qualification	Master's Degree in Arts from University of Hyderabad
	iii) Experience in specific functional area	11 years' experience in administration and human resource related operation.
	iv) Date of appointment on the Board of the Company (Kapston Facilities Management Limited)	11/01/2018
C	Nature of expertise in specific functional Areas	Administration and Human Resource.
D	Names of other companies in which he is acting as Director	NIL (She is director only in Kapston Facilities Management Limited)
E	Name(s) of companies in which committee Membership(s) / Chairperson held as on date	NIL
F	Shareholding in the Company	1,61,145 Equity Shares
G	Relationships between other Directors Inter-se	Relative of Mr.Srikanth Kodali

Kapston Facilities Management Limited

CIN: L15400TG2009PLC062658

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

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

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

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 11th Annual General Meeting of the shareholders of the company held on Friday the September 27,2019 at 11.30 a.m at Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033.

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

*Applicable if shares are held in electronic form.

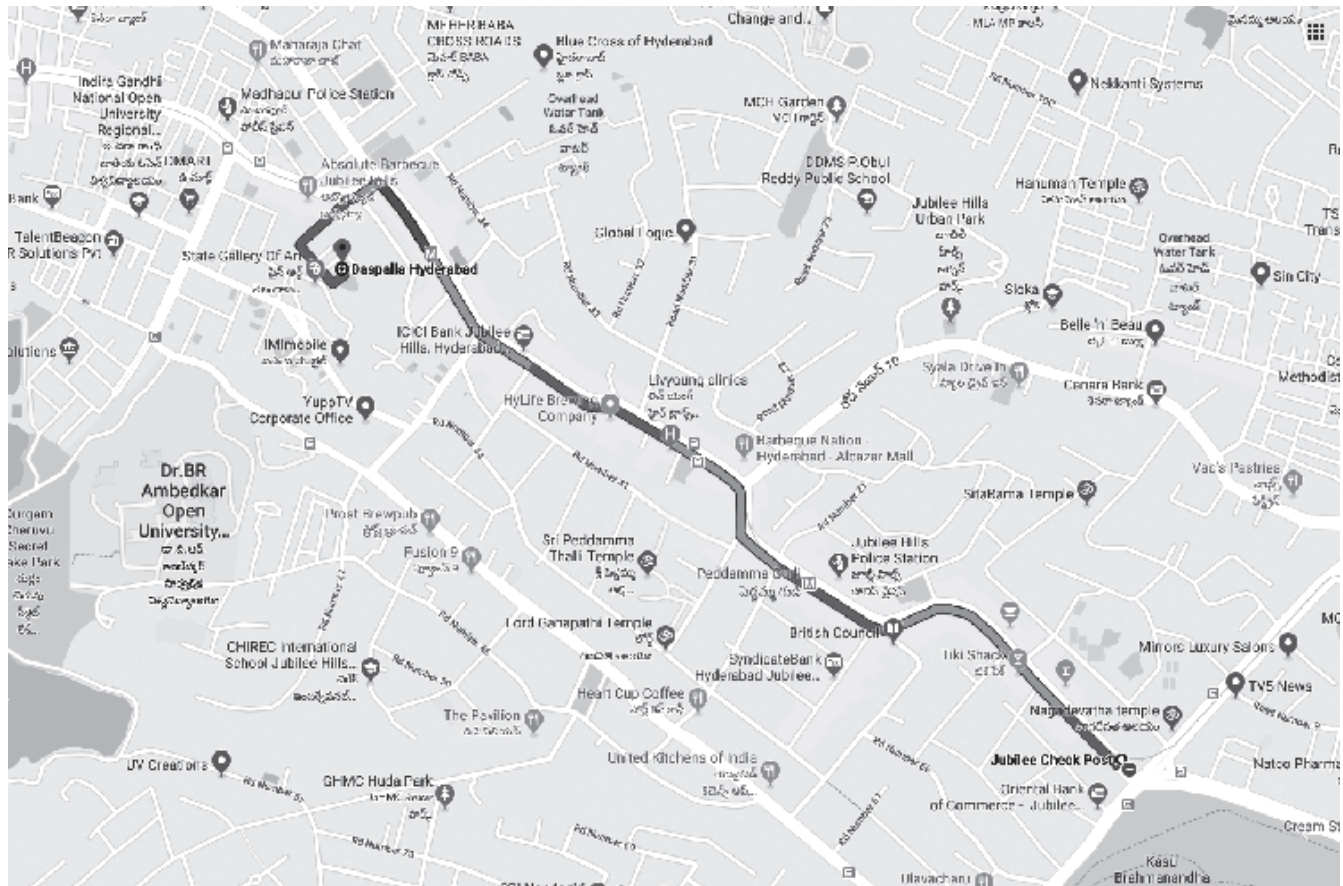
Name & Address of the Shareholder

Signature of Shareholder/Proxy/
Representative (Please Specify)

Note:

- 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.
- Shareholders are informed that no duplicate attendance slips will be issued at the venue of the meeting.

ROAD MAP TO AGM VENUE FROM JUBILEE CHECK POST, HYDERABAD



Kapston Facilities Management Limited

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Form No.MGT-11

Proxy Form

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 11th AGM of the company to be held on Friday, the 27th day of September 2019 at 11.30 P.M at the venue of AGM i.e Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033 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, 2019 together with the reports of the board of directors ('the Board') and auditors thereon.		
2	To appoint a Director in place of Mrs. Kanti Kiran Doddapaneni (DIN: 07420023), who retires by rotation and being eligible, offers herself for re-appointment as a Director.		

Signed this day of 2019

Signature of the shareholder: _____

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

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.



Kapston Facilities Management Limited

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