September 5, 2024

To
The Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai- 400051.

SYMBOL: KAPSTON

Dear Sir/Madam,

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

We hereby inform you that the 16th Annual General Meeting ("AGM") of the members of the Company will be held on **Friday, September 27, 2024, at 04.00. P.M. (IST**) at the Corporate office of the Company situated at Plot No. 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500 034.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Annual Report of the Company along with the notice of AGM for the financial year 2023-24, which is being sent to the members of the Company through electronic mode.

In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations, as amended from time to time and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Company is providing e-voting facility to its members to exercise their right to vote by electronic means on the businesses specified in the Notice of the 16th AGM of the Company ("Remote e-voting").

Triveni Banda

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Date: 2024.09.05 17:54:33 +05'30'

The remote e-voting will commence on **Tuesday, September 24, 2024 at 9:00 AM (IST) and close on Thursday, September 26, 2024 at 5:00 PM (IST).** The Annual Report including Notice is also uploaded on the Company's website and can be accessed at https://kapstonservices.com/wp-content/uploads/2024/09/Kapston_Annual%20Report%202023-24.pdf

Kindly take the same on record.
Thanking you,

Yours faithfully,
For Kapston Services Limited

Triveni Banda
Digitally signed by Triveni Banda
Date: 2024.09.05 17:54:57 +05'30'

Triveni Banda
Company Secretary & Compliance Officer

KAPSTON
SERVICES LIMITED

ANNUAL REPORT
2023-24



Sustained **Success**
A Year of Continuous **Progress**
and Consistent **Growth**

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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 and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.



SUSTAINED SUCCESS:

A Year of Continuous Progress and Consistent Growth

In the fiscal year 2023-24, Kapston Services Limited has experienced a remarkable journey characterized by sustained success and progressive achievement. This period has been defined by our commitment to not only maintaining but also accelerating our growth trajectory in a dynamic and competitive market environment. Our remarkable performance is a proof to our strategic foresight, operational excellence, and the relentless dedication of our team.

Throughout the year, we have navigated challenges with resilience and leveraged opportunities with strategic insight. Our focus on delivering exceptional service, coupled with our innovative approach, has enabled us to achieve consistent growth across our business segments. This growth is reflected in our financial performance, where we have surpassed previous benchmarks and set new standards of success.

Our achievements this year are more than just numerical milestones; they signify our ongoing journey towards excellence. We have enhanced our operational efficiencies, expanded our service offerings, and reinforced our commitment to quality. These efforts have not only bolstered our market position but also reinforced our reputation as a leader in the industry.

As we reflect on the year, it is clear that our success is driven by a collective effort, a dedicated team, strategic vision, and a steadfast commitment to excellence. Looking ahead, we remain focused on building on this foundation, pursuing new opportunities, and continuing our journey of growth and success. The achievements of 2023-24 are a testament to what we can accomplish with sustained dedication and strategic execution, setting the stage for a future of continued excellence and achievement.

FY 2023-24

A YEAR OF GROWTH

In the face of formidable competition, our company's performance has demonstrated impressive growth in FY 2023-24. The figures set the stage for our continued leadership in the industry.

FIGURES TELL THE STORY



TOTAL REVENUE

₹ 52,132.91 Lakh

as against ₹ 40,103.68 lakh in FY 2022-23



EBITDA

₹ 2,413.99 Lakh

as against ₹ 1570.79 lakh in FY 2022-23



PAT

₹ 1,257.07 Lakh

as against ₹ 507.03 lakh in FY 2022-23

VISION, MISSION, VALUES & OBJECTIVE



OUR VISION

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



OUR MISSION

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



OUR CORE VALUES

Integrity
Quality
Process Excellence
Professionalism
Competitiveness



OUR CORE OBJECTIVE

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

CUSTOMIZED SERVICES:
ALIGNING WITH OUR CUSTOMERS' MANPOWER NEEDS

General Staffing



Within the scope of General Staffing, Kapston leverages its profound knowledge in human resource management to craft all-encompassing staffing solutions. Our goal is to curate an exceptional talent pool that aligns seamlessly with the needs of our customers. We meticulously source and nurture individuals with the requisite skills and mindset to seamlessly integrate with the vision, mission, values and HR strategies of our diverse customers across various functional domains and industry sectors. Our commitment extends beyond mere staffing. We offer value-added HR services, including efficient payroll management and facilitating permanent hiring, ensuring a comprehensive approach to enhancing the effectiveness of our customers' workforce.

Security Services



At Kapston, our security personnel are highly experienced and rigorously trained in a wide range of essential skills, including recognized security protocols, emergency response, disaster management, physical fitness, and unarmed combat. This comprehensive approach to training and preparedness enables our team to handle any situation with confidence and professionalism, ensuring a safe and secure environment for our customers at all times.

Soft Services



Guided by our core principle of 'Neatness and Orderliness,' Kapston endeavours to amplify productivity in living, work and public spaces. We provide comprehensive housekeeping services for office spaces, residential apartments, public areas, malls and more. Our specialized services cater to critical industries such as pharmaceutical manufacturing, hospitals and hotels, aligning with their unique needs.

Engineering



Regular wear and tear are inevitable in any facility, requiring proactive maintenance to sustain functionality and appeal. At Kapston Services, our skilled team of engineers, electricians, plumbers, masons, and carpenters provide tailored maintenance solutions that enhance the reliability and lifespan of equipment and structures while optimizing costs. Our focus is on maintaining a high-quality environment that supports business continuity and excellence.

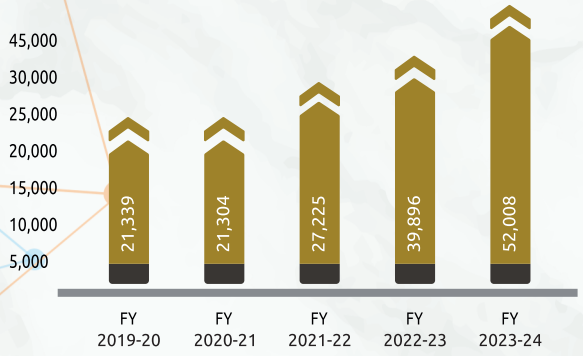
IT Staffing



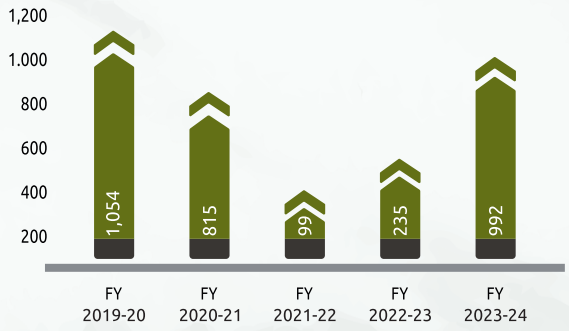
In the realm of IT Staffing, Kapston's resolute and meticulous approach has positioned our company as a partner for IT staffing needs. Within the IT and ITES segments, we provide unparalleled support, encompassing both hardware and software. Our impeccable staffing solutions are tailored to precisely match the unique requirements of our customers in these sectors.

A SUMMARY OF OUR SUCCESS IN FIGURES

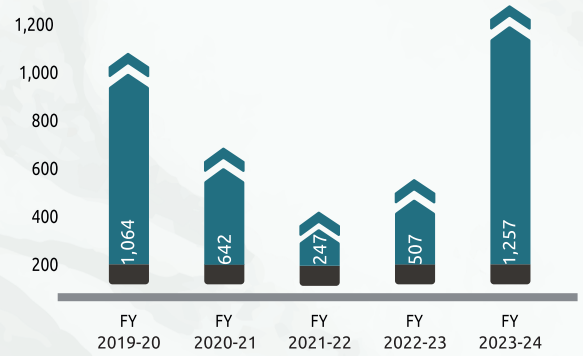
Revenue from operations (INR in Lakhs)



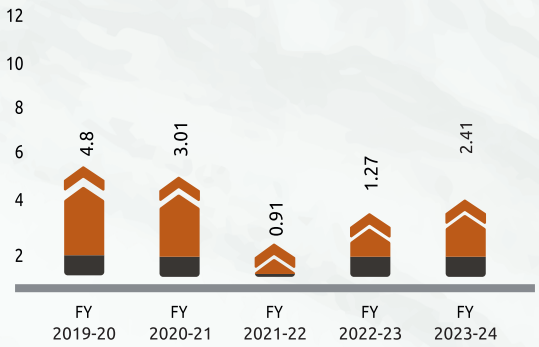
PBT (INR in Lakhs)



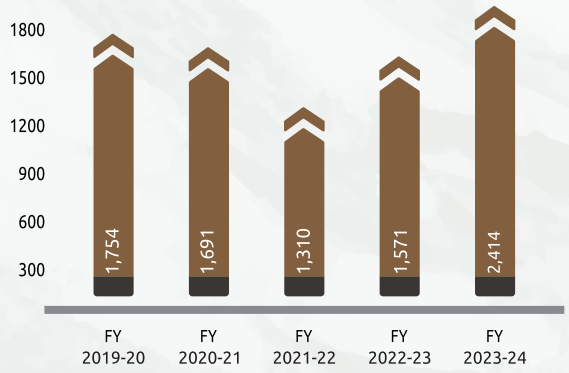
PAT (INR in Lakhs)



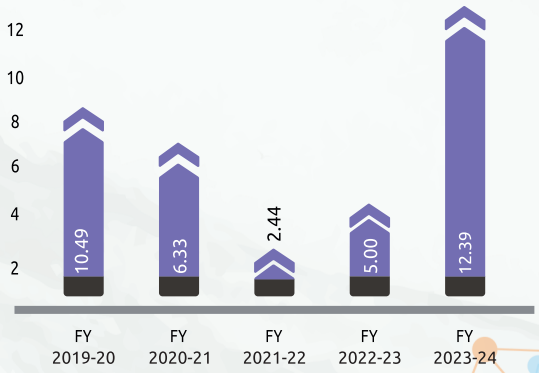
PAT (%)



EBITDA (INR in Lakhs)



EPS (INR in Lakhs)



Shareholding Pattern (31st March 2024)

% of Total Capital



- Promoters (73%)
- Directors & Relatives (Public Category)(20%)
- Public (7%) (Other than Directors)

Board Composition (10th August 2024)



- Independent (50%)
- Executive (33%)
- Non-Executive (17%) (Promoter Group)

BOARD OF DIRECTORS



Dr. Chereddi Ramachandra Naidu

Serving as our Executive Chairman, Dr. Chereddi Ramachandra Naidu holds a Masters Degree in Sociology and a Doctorate in Commerce and Management. With a distinguished IPS career, he retired in 2007 as the Inspector General of Police in the erstwhile combined Andhra Pradesh State. Throughout his four decades of service in uniform, Dr. Naidu amassed an extensive range of expertise in HR management, industrial relations, strategy and project management. He is a published author, with his book titled 'Preventive Powers of Police' published by the AP Police Academy. His guidance and insights continue to inspire and drive our organization forward.



Mr. Srikanth Kodali

A true first-generation entrepreneur, Kapston's Promoter and Managing Director, Mr. Srikanth Kodali has guided the company's journey from its inception. With a commerce degree and a wealth of experience, he has managed diverse aspects including facilities management, security services and staffing services. As an Executive Director, he has been a driving force behind Kapston's rapid growth, playing a pivotal role in formulating business strategies, development and client management.



Mr. Nageswara Rao Koripalli

Retiring in 2018 from the IRS as Principal Director of Income Tax (Investigation) for Telangana and Andhra Pradesh, Mr. Koripalli also served as a Special Director in the Enforcement Directorate. Holding a Masters degree in Science and an LLB degree, his 33-year career encompasses Indian Income Tax laws, accountancy, audit, corporate governance under the (Indian) Companies Act and statutes like FERA, FEMA, PMLA, Benami Properties Act and Black Money Act. His presence enriches Kapston's governance with insights drawn from an illustrious career.

BOARD OF DIRECTORS



Ms. Kanti Kiran Doddapaneni

Ms. Kanti Kiran Doddapaneni, a Promoter and Non-Executive Director at Kapston, brings a wealth of experience from her educational background. She holds a Bachelors Degree in Science from Osmania University and has further enriched her knowledge with a Masters degree in Arts.



Ms. Vanitha Nagulavari

Ms. Vanitha Nagulavari, an Independent Director, brings a wealth of expertise to Kapston. A commerce graduate and an Associate Member of the Institute of Company Secretaries of India (ICSI), she possesses over a decade of valuable experience in legal, secretarial and capital markets.



Mr. Naveen Nandigam

Mr. Naveen Nandigam, an Independent Director, brings a wealth of financial expertise to Kapston's board. A Fellow Member of the Institute of Chartered Accountants of India (ICAI), he has been in professional practice since 1990 with considerable proficiency in financial reporting and management. His association with Kapston since February 2018 has further fortified the company's financial governance and strategic insights.

SENIOR MANAGEMENT



Kapil Sood, Chief Financial Officer

Mr. Kapil Sood has over two decades' experience in Accounting, Controllership, Corporate Finance, Taxation etc. He is a CA and a Fellow member of ICAI.



Triveni Banda, Company Secretary & Compliance Officer

Ms. Triveni Banda, an Associate member of ICSI, holds a Masters degree in Accounts and is a Law graduate.



Vishnu Mora, Chief Operating Officer

Mr. Vishnu Mora has over two decades of experience in Facilities Management, Property Management and Construction Management. Apart from operations, he is crucial to business addition and client retention.



Haraprasad Panda, Executive President

Mr. Haraprasad Panda has 26 years' experience in Corporate Services, Staffing, IFM, Security, e-Governance & Recruitment Solutions. He is an MRICS, an MBA and a member of CII, RICS, IFMA, SCSC, GACS, iNFHRA, FMZone, IKON, HR India etc..



Syam Sundar, Sr. Vice President-Staffing Solutions

Mr. Syam Sundar has two decades' experience in Profit Centre Operations, Sales & Marketing, Business Development, Large Account Management, Customer Relationship and Team Management. An expert in HR & staffing solutions, Syam has implemented systems and procedures. A commerce graduate, he has Leadership Program certification from Kirloskar Institute of Advanced Management Studies, Management Development Program at Welingkar Institute of Management.

SENIOR MANAGEMENT



R. Reena, Head-HR

Ms. Reena Rekulgikar is successful, result-driven and enthusiastic people manager with over two decades' of extensive experience in Human Resources. She has been instrumental in shaping and driving the HR strategy at Kapston Services Limited. Her leadership has been pivotal in fostering a culture of excellence, innovation and inclusivity within the organization.



P.S. Raju, AVP- Soft Services

Leading IFM, Mr. P.S. Raju has championed Manpower Sourcing, Client Management, Client Retention Team Management and has over two decades' experience. He has handled IFM Operation for MNCs, BFSI, IT/ITES, Commercial & Residential Establishments, Pharma, FMCG & Healthcare.



C. Srinivas, AVP -Security Services

Mr. C. Srinivas is leading the Security Service wing with 25+ years' experience in Manpower Sourcing and Client Management. A commerce graduate, he holds certification as Security Practitioner by IISSM.



Nitya Menon, General Manager -Admin and Procurement

Ms. Nitya Menon has 20 years' experience in administration, event planning, guest relations, marketing, brand advising and HR. Currently heading Admin & Procurement department, digital marketing and serving as EA to MD, Nitya is a commerce graduate.



Soma Sekhar, General Manager-Statutory and Payroll

Mr. Soma Sekhar has 15+ years' experience in IFM, e-Gov., NAPS, Compliance, Payroll and HR Process. Currently he leads Payroll, Statutory, NAPS and MIS.



The **POSITIVE IMPACT** of our growth extends beyond the company, enhancing the **FINANCIAL SECURITY** of our **EMPLOYEES** and their **FAMILIES.**

CHAIRMAN'S MESSAGE

Dear Shareholders,

It's a pleasure to share the significant progress Kapston Services Limited has made during the financial year 2023-24, reaching a turnover of ₹ 521 Crore with an impressive 30% growth. This achievement reflects our commitment to excellence and marks a pivotal moment in our continued journey of success. The positive impact of our growth extends beyond the company, enhancing the financial security of our employees and their families.

Over the years, Kapston has evolved into a trusted and dynamic brand within the service sector. Our strategic focus into areas such as General Staffing, Security, Housekeeping, Engineering, and IT Staffing has allowed us to offer a broader range of solutions to our clients, keeping us competitive and relevant in an ever-changing market. As the industry continues to expand, we are confident in our ability to capitalize on new opportunities and maintain our upward trajectory.

To meet the evolving demands of our clients, we have consistently enhanced our service offerings, prioritizing quality and excellence. This approach has strengthened our relationships with customers, fostering strong partnerships built on trust and mutual benefit. As we look to the future, we envision Kapston playing a key role in the staffing and facility management sectors across India, with ambitions to extend our footprints globally.

I would like to extend my sincere thanks to our leadership and management teams for their strategic vision and tireless work in taking Kapston to new heights. Their efforts have strengthened our position as a leading provider of manpower services and I am confident that their continued commitment will drive further progress.

As we celebrate our achievements, we remain mindful of our broader responsibilities. Kapston is deeply committed to contributing to the welfare of society. Our initiatives in healthcare, rural development and more, reflect our commitment to making a positive difference. We are eager to enhance our social impact in the years ahead, engaging more deeply with the people we serve.

Finally, I want to express my gratefulness to all our employees, stakeholders and investors for their ongoing trust and support. Their belief in our vision is the cornerstone of our success.

I wish you and your families continued health and prosperity.

Thank you,

Dr. Chereddi Ramachandra Naidu
Executive Chairman
Kapston Services Limited



As we look to the future, **SUSTAINABILITY** remains at the core of our strategy. We are committed to investing in **PEOPLE**, processes and **TECHNOLOGY** with a keen awareness of their socio-economic and **ENVIRONMENTAL** impact.

MANAGING DIRECTOR'S MESSAGE

Exceeding expectations can become a habit and Kapston Services Limited stands testimony to this statement. As we close another eventful year, I am proud to reflect on our milestones and share what we think the future should be. Our commitment to excellence, combined with the relentless efforts of our team and the support of our stakeholders, has enabled us to achieve remarkable growth despite a very competitive market-scape.

In FY 2023-24 revenue surged by 30% and net profit by 148% compared to FY 2022-23. This growth is a testament to our strategic focus and ability to consistently deliver value across General Staffing, Security Services, Soft Services, Technical Services and IT Staffing.

At the heart of our success lies a deep commitment to innovation and a keen awareness of evolving market trends. This year, we strategically enhanced our team with industry experts and training experts in relevant domains of our operations, reinforcing our core competencies and positioning us for sustained growth. Our expansion into Recruitment Process Outsourcing (RPO) and active participation in the National Apprenticeship Promotion Scheme (NAPS) and National Apprenticeship Training Scheme (NATS) are part of our broader strategy to meet the dynamic needs of our clients.

India is on the cusp of significant transformation, driven by government initiatives such as Make in India, infrastructure projects, advancements in technology and tourism sector. These initiatives are reshaping the landscape of Human Capital Solutions, IT Services, Healthcare, e-Commerce etc. The growing demand from tier-2 and tier-3 cities, coupled with the influx of multinational companies and the rise of the startup ecosystem, presents Kapston with unprecedented opportunities.

The private security and facility management sectors are poised for rapid expansion, driven by IT, BFSI, manufacturing, defence, aerospace, real estate, logistics etc. As we cater to these diverse sectors, our focus remains on delivering tailored solutions that exceed expectations. According to 2021 World Population Review, India is home to 1.37 billion people. The growth is driven by 65% of the India's population, which is under the age of 35, positioning the country as a global economic powerhouse. In this young and dynamic nation, digitalization represents the future. While technology and automation are transforming the industry, the need for human intervention in certain processes remains vital. At Kapston, we ensure that both human expertise and automation work in harmony to deliver superior results.

As we look to the future, sustainability remains at the core of our strategy. We are committed to investing in people, processes and technology with a keen awareness of their socio-economic and environmental impact. By fostering an ecosystem, where humans and automation coexist, we are poised to deliver exceptional value, while contributing to the broader goal of nation-building.

We are excited about the road ahead and remain dedicated to enhancing our reputation as a leading provider of manpower solutions. I extend my heartfelt thanks for your continued trust and support as we embark on this journey together.

Thank you,

Srikanth Kodali
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Chereddi Ramachandra Naidu, IPS (Retd.), Chairman
Mr. Srikanth Kodali, Managing Director
Mr. Naveen Nandigam, Independent Director
Ms. Kanti Kiran Doddapaneni, Non - Executive Director
Ms. Vanitha Nagulavari, Independent Director
Mr. Nageswara Rao Koripalli, IRS (Retd.), Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Kapil Sood, Chief Financial Officer
Ms. Triveni Banda, Company Secretary and Compliance Officer

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

INTERNAL AUDITOR

TAN & Associates
Chartered Accountants
Ms. K. Sravanthi
Membership Number: 239567

SECRETARIAL AUDITOR

VCAN & Associates
Practising Company Secretaries
Mr. Ajay Naga Chowdary Vemuri
C.P. No. 15460

REGISTRAR AND TRANSFER AGENT

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

INVESTOR CELL CONTACT DETAILS

cs@kapstonservices.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY OVERVIEW

Kapston Services Limited is one of the leading manpower solutions company in India, offering a wide range of services including General Staffing, Security, Soft Services, Technical Services, IT Staffing Solutions and other allied services. A one-stop solution for all manpower requirements, Kapston has grown rapidly, expanding its footprint across multiple regions in India. The objective of this report is to convey our management's perspective and the company's operational and financial performance with its shareholders, this is by keeping in mind all our external factors, risks and mitigations.

GLOBAL ECONOMY REPORT

The global economy continues to navigate a complex landscape in 2024, marked by lingering challenges from the previous year, but with signs of stabilization and cautious optimism for recovery. The global growth forecast has seen a slight improvement with growth expected to increase from 3.1% in 2024 to a projected 3.2% in 2025. However, this recovery remains uneven with advanced economies still experiencing slower growth, while emerging markets, particularly in Asia, show more resilience. In 2025, the global economy is expected to experience modest growth of 3.2%, marking a stabilization after the slowdown witnessed in 2024. Advanced economies, however, continue to struggle with growth rates projected at just 1.5%, a slight improvement from the 1.3% in 2023. This modest recovery in advanced economies is driven by a combination of cautious consumer spending, gradual easing of monetary policies and ongoing adjustments in the financial sector.

Global economies are benefiting from strong domestic demand, improved export performance and targeted government support measures aimed at sustaining economic momentum. Monetary policies are gradually shifting from the aggressive tightening seen in 2024. Central banks in advanced economies are expected to maintain a cautious approach, balancing the need to control inflation with the risk of stifling economic recovery. Asian economies continue to outperform the global average with growth driven by robust domestic demand, industrial expansion and technological advancements. These economies are expected to play a crucial role in supporting global growth with their continued resilience providing a buffer against the challenges faced by the global economy. The global trade environment remains cautious with businesses and governments closely monitoring geopolitical developments and adjusting strategies to mitigate risks. Trade diversification and regional trade agreements are expected to play a more significant role in shaping global trade dynamics in 2025.

INDIAN ECONOMY REPORT

The Indian economy continues to build on its strong performance, solidifying its position as one of the fastest-growing economies in the world. In 2024, India's GDP was approximately $3.937 trillion, reflecting the country's sustained economic momentum and its increasing influence on the global stage. This growth trajectory places India firmly on the path towards achieving its ambitious target of becoming a $5 trillion economy. India's GDP growth for 2024 was around 8.2%. This robust growth is driven by several key factors including strong domestic consumption, rising investments and a vibrant services sector. The manufacturing sector has also shown remarkable resilience, contributing significantly to the overall economic expansion.

Investment in infrastructure continues to be a major driver of India's economic growth. The government's focus on building world-class infrastructure including roads, railways, ports and digital networks, is paying dividends. Public and private sector investments in infrastructure have surged with significant projects in urban development, renewable energy and smart cities leading the way. Foreign direct investment (FDI) has also remained robust as global investors recognize India's potential as a long-term growth market. The government's ongoing reforms to improve the ease of doing business alongside a stable macroeconomic environment, have made India an attractive destination for investments.

Inflationary pressures have been relatively contained in March 2024 with headline inflation averaging around 4.85%, down from 5.66% in the previous year. The Reserve Bank of India (RBI) has maintained a balanced approach, ensuring that inflation remains within the targeted range while supporting economic growth through accommodative monetary policies. The central bank's proactive measures, including adjustments to interest rates and liquidity management, have helped to stabilize prices and maintain consumer confidence. This has been crucial in sustaining the purchasing power of Indian households and supporting continued economic expansion.

As India continues to rise on the global stage, it is set to play an increasingly important role in shaping the future of the global economy, contributing not only to regional stability and growth but also in addressing global challenges through innovation and leadership. Despite the strong performance, the Indian economy faces several challenges, including the need to create more jobs for its growing population, address income inequality and ensure sustainable development. The government continues to prioritize these areas with initiatives aimed at boosting employment, enhancing social welfare and promoting green growth. Looking ahead, India is well-positioned to continue its growth trajectory with a strong foundation in place for achieving its $5 trillion GDP target. The ongoing structural reforms, focus on innovation and commitment to inclusive growth will be key drivers of the economy's future success.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Staffing Services

The staffing services market in India continues its impressive growth trajectory at 16.2%. This sector is on track to become one of the largest industries by 2030, driven by high demand across various key sectors. Despite the overall positive growth, the IT staffing segment had faced challenges. However, this sector experiences a gradual shift in new employment creation, significantly affecting the overall net employment growth within the IT Staffing industry. This can be attributed to several external factors, the protracted impact of the Russia-Ukraine war and muted services demand from developed countries.

In response to these challenges, the staffing industry is increasingly embracing data and technology to optimize operations. Companies are leveraging data analytics to gain deeper insights and make more informed, goal-aligned decisions. Digital transformation is also reshaping the staffing process, benefitting both job seekers and employers by enhancing the efficiency and effectiveness of service delivery. This shift toward digitalization presents a significant challenge to traditional staffing companies, compelling them to innovate and adapt to remain competitive in the evolving market.

Facility Management Services

The Integrated Facilities Management (IFM) market globally continues to expand with the market projected to grow at a CAGR of 7.27% through 2030. In India, the facility management services industry is poised for rapid growth during the forecast period of 2023-2028, with a projected CAGR of 17%. The industry is being shaped by several emerging trends, including the adoption of smart building technology, a focus on energy efficiency and sustainability, the implementation of predictive maintenance practices and the increasing demand for flexible workspaces. These trends are driving the transformation of facility management, positioning the industry for significant growth and innovation in the coming years.

Security Services

The private security services market is experiencing robust growth on a global scale with projections indicating CAGR growth of 5.7%. In India, the private security industry stands out as the largest in the world, having undergone remarkable growth in recent years. The demand for private security personnel has surged, driven not only by the corporate sector but also by residential households and real estate complexes. As the market continues to expand, there is a growing emphasis on professionalization, training and the adoption of advanced technologies to enhance service delivery.

OPPORTUNITIES AND THREATS PRODUCT - WISE

TYPE OF SERVICE	OPPORTUNITIES	THREATS
Staffing Services	The Indian staffing industry continues to expand at an impressive rate of 16%, driven by the increasing reliance on flexible staffing models to meet diverse business needs. The regulatory environment is becoming more favourable, which simplifies operations for employers and staffing companies alike. Although still in its nascent stage in India, the gig economy presents a significant growth opportunity. As seen in developed markets like the U.S., independent work could engage 20-30% of the workforce, indicating a potential shift in how employment is structured in India.	The broader job market's challenges, including the need for more employment opportunities, could reduce demand for staffing services. The formalization of the non-farm sector is essential to stabilize the industry. As the industry grows, it faces increasing competition from both traditional staffing companies and new market entrants. Additionally, disruptive technologies and innovative business models could threaten established firms if they fail to adapt. Also the availability of skilled talent is critical for the staffing industry. A shortage of qualified candidates could hinder growth and affect the industry's ability to meet clients' demands.
Facility Management Services	The ongoing development of smart buildings and the increasing focus on sustainability due create opportunities for growth in the facility management sector. Companies that can offer innovative solutions to meet these evolving needs are likely to thrive. India's rapid urbanization, coupled with a booming construction sector and the growing popularity of green buildings, drives demand for facility management services. Outsourcing non-core business activities is also becoming more common, further boosting the industry. The FM industry is gradually adopting automated service delivery and technology-driven platforms. The use of AI, IoT and other advanced technologies enhances efficiency, reduces costs, and improves the lifespan of equipment and structures.	While technology presents numerous opportunities, it also poses a threat to companies that fail to adapt. Traditional FM providers may struggle to compete with tech-savvy competitors if they do not embrace digital transformation. The FM market in India is highly fragmented with a mix of organized and unorganized players. This fragmentation can lead to increased competition and downward pressure on pricing, making it challenging for companies to maintain profitability.

	Also the demand for specialized engineering services, such as energy efficiency audits and green building concepts, is on the rise. Companies that can provide these services will benefit from the growing emphasis on sustainability and energy conservation.	
Security Services	The private security sector in India is experiencing robust growth, driven by increasing demand from both the corporate sector and residential communities. The industry's workforce, which exceeds 10 million private security guards, plays a crucial role in maintaining safety across various sectors. The deployment of specialized personnel and advanced security systems are essential for managing security risks in public and private spaces. As technology continues to evolve, the security sector has the opportunity to enhance its offerings through innovations such as Al-powered surveillance, biometric access control and integrated security platforms. With a CAGR of over 25% in the past 6-7 years, the private security industry is well - positioned for continued expansion. The growing number of operating companies, both organized and unorganized, indicates a vibrant and competitive market.	Ensuring fair compensation for security personnel is critical as the industry continues to grow. Inadequate pay could lead to high attrition rates, low morale and a potential decline in service quality, which could undermine the industry's reputation and effectiveness. As the number of security firms increases, the market may become saturated, leading to intense competition and price wars. Established companies may face pressure from newer entrants offering lower-cost services, which could impact profitability.

SEGMENT - WISE/PRODUCT - WISE PERFORMANCE - 2023-24

Staffing Services

The Indian staffing industry continued to show robust growth in the 2023-24 fiscal year, marked by a 16.2% increase in the number of flexi workers, expanding the overall contract workforce to approximately 1.66 million. This growth reflects the industry's adaptability and the increasing reliance on flexible staffing solutions across various sectors. Staffing companies increasingly adopted technology to streamline their operations from automated recruitment processes to data-driven decision-making. This shift is helping firms to respond more efficiently to the demands of a dynamic job market

The rise in demand for flexi workers was driven by sectors such as FMCG, E-commerce, Healthcare and Logistics. These industries, requiring quick and adaptable staffing solutions, contributed significantly to the growth. A notable trend in 2023 was the emphasis on occupancy management with companies investing in data quality and technological advancements to gain better insights into workplace dynamics. This trend aligns with the evolving hybrid work culture, where the traditional work-week is becoming more fluid with Wednesday often taking on the role of the new Monday.

Facility Management Services

India's facility management (FM) sector remains one of the largest and most sophisticated markets for outsourced services. The industry is characterized by a mix of small local companies providing single-service solutions and large vendors managing integrated contracts across multiple continents. The Internet of Things (IoT) has emerged as a critical driver in the FM industry, particularly in soft services. IoT adoption enables real-time data collection and analysis, leading to better decision-making and optimized work processes. This technology is particularly beneficial in managing energy efficiency, predictive maintenance and space utilization.

The FM industry in India is rapidly evolving with significant growth opportunities arising from the integration of facility management and corporate real estate services. Companies are increasingly looking for innovative ways to combine these services to enhance operational efficiency and reduce costs. The demand for smart building solutions and sustainable practices continued to grow in 2023-24 with facility management providers leveraging advanced technologies to meet these evolving needs. This trend is expected to drive further growth in the industry as businesses prioritize sustainability and operational efficiency.

Security Services

The security services sector in India experienced significant technological advancements in 2023-24. These advancements are reshaping the industry, offering enhanced situational awareness and improved security measures across various sectors.

Despite the technological advancements, the industry faced challenges related to a widening skill gap and talent shortage. To address these issues, the security sector prioritized standardizing training and certification processes. Investment in human capital development became a focal point, ensuring that security personnel are well-equipped to meet the evolving demands of the industry. The emphasis on technology continued to grow with security companies investing in advanced systems such as biometric access control, AI-driven analytics and integrated security platforms. These technologies enhance the quality of security services, ensuring that companies can effectively protect their assets and personnel.

RISKS AND CONCERNS

Staffing Services

The rapid advancement of technology is creating a growing demand for professionals with specialized skills in emerging technologies such as AI, machine learning, data analytics, and cybersecurity. This evolution presents a significant challenge for staffing companies to keep pace with the ever-changing landscape. Staffing firms may struggle to source and place talent that meets clients' demands for these niche skill sets, potentially leading to a talent gap in the market.

While the Indian market has shown resilience, the slowdown in western economies, particularly in sectors like IT, poses a potential risk. The IT staffing industry, which has been a significant growth driver, is currently in a "wait-and-watch" mode to assess the full impact of global economic conditions. Monitoring global economic trends and maintaining agility in operations will be crucial. Diversifying into other sectors that show growth potential and maintaining a flexible workforce model could help mitigate risks.

Facility Management Services

The supply of skilled professionals capable of managing large-scale infrastructure projects, especially in technical services, is insufficient in India. This shortage hampers the industry's ability to keep pace with its rapid growth. Investing in comprehensive training programs and establishing partnerships with technical institutions can help bridge the skills gap. Additionally, companies should focus on creating a robust talent pipeline through internships and apprenticeships.

Although there is an abundance of unskilled labour in India, FM companies face two critical issues: training this workforce to meet professional standards and retaining them, as unskilled workers are prone to high attrition rates. Implementing effective training programs tailored to the needs of unskilled workers and providing incentives for retention, such as career development opportunities and benefits, can help mitigate these challenges.

Security Services

The private security sector in India lacks standardized training and certification processes, leading to variability in the quality and competence of security personnel. The industry must adopt international standards for training and certification to ensure that all personnel are adequately prepared to meet contemporary security challenges. This standardization will enhance the overall professionalism and reliability of security services.

The evolving security landscape demands that private security personnel are proficient in multitasking and technology usage, including advanced surveillance systems, AI-driven analytics, and automated security solutions. Continuous investment in human capital development is essential. Security companies should focus on integrating technology into their training programs and creating a culture of lifelong learning within their workforce.

INDUSTRY OUTLOOK

Staffing Services

The organized staffing market in India is set to continue its robust expansion, moving beyond traditional industries and embracing new sectors. The increasing demand for flexible job roles, particularly in sectors like e-commerce, logistics, manufacturing, tourism, hospitality, FMCG, consumer durables and healthcare, is driving this growth. As businesses continue to adapt to changing market dynamics, flexi-staffing is gaining traction as a viable solution for workforce management. Although still in its early stages, the flexi-staffing industry in India is maturing with established players expanding their offerings and investing in new technologies. The staffing industry is poised for continued growth as it evolves to meet the needs of a diverse and dynamic job market. The focus will likely remain on expanding services, leveraging technology and improving workforce management solutions to cater to the growing demand for flexible employment.

Facility Management Services

India's facility management market is experiencing significant growth, driven by rapid urbanization and population expansion. The need for modernized office spaces and streamlined services is fuelling demand in the sector, particularly in the integrated facility management segment. As the real estate sector continues to expand with the construction of residential and commercial properties, the demand for comprehensive facility management solutions is on the rise. The FM industry in India is set to grow significantly, driven by the expanding real estate market and the increasing focus on sustainability and technology-driven solutions. The industry is likely to see further innovation and development, particularly in the areas of smart buildings and integrated facility management services.

Security Services

The private security services market in India continues to be a crucial industry, supporting the safety and security needs of various sectors. With the increasing complexity of security challenges, the demand for specialized personnel and advanced security systems is on the rise. Public places such as airports, railway stations, shopping malls and industrial complexes require robust security measures to manage risks and ensure safe operations. The security services industry is expected to continue its growth trajectory, driven by the increasing need for comprehensive security solutions in both public and private sectors. The integration of advanced technologies with human expertise will be a key focus area, ensuring that security measures remain effective in an evolving threat landscape.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The management of the company has established a robust framework of internal financial controls to ensure smooth and efficient operation of the business. These controls are designed to safeguard the company's assets, prevent and detect fraud & errors, and ensure the accuracy & completeness of financial records. The system also supports the timely preparation of reliable financial disclosures, ensuring that the company's reporting is transparent and compliant with applicable laws and regulations. The company has implemented a set of policies and procedures that guide the orderly conduct of business activities. These policies ensure adherence to the company's standards and provide clear directives on operational processes. Measures have been put in place to protect the company's assets from unauthorized access, loss or damage. Regular audits and checks are conducted to ensure that assets are managed effectively and are accounted for accurately. The internal control system includes mechanisms for the early detection of fraud and errors. These mechanisms are designed to identify irregularities in operations or financial reporting promptly, enabling timely corrective action. The company maintains detailed and precise accounting records that reflect all financial transactions accurately. This ensures that the financial statements present a true and fair view of the company's financial position.

The internal controls are aligned with the objective of ensuring that all financial disclosures are reliable and are prepared in a timely manner. This helps in maintaining the trust of stakeholders and complying with regulatory requirements. The Audit Committee of the Board plays a crucial role in overseeing the internal audit function. Regular updates and presentations from internal auditors keep the committee informed about the effectiveness of the internal controls. This ongoing oversight ensures that any risks are managed pro-actively and that the internal control system remains effective in achieving the company's objectives. The company's internal control system is designed to be commensurate with the nature, size and complexity of its operations. It provides reasonable assurance that the company's objectives, in terms of operational efficiency, financial reporting reliability and compliance with laws & regulations are being met. The internal audit function, under the guidance of the Audit Committee, provides further assurance that these controls are effective and that key business risks are being managed appropriately.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Growth in Workforce: As of March 2024 the total number of personnel, including trainees and apprentices are more than 23,000. This marks a significant increase from 17,000 personnel recorded in March 2023. This growth reflects the company's expanding operations and its workforce to meet increasing business demands. Also the number of back office staff was 335 as of March 2024, showing a slight decrease from 348 in March 2023. This stability in the back office workforce indicates the company's efforts to maintain operational efficiency, while managing administrative functions effectively.

The significant increase in personnel, including trainees and apprentices, underscores the company's focus on training and development. By investing in the growth of its workforce, the company ensures that its employees are well-equipped to meet the challenges of the evolving business landscape. The company continues to maintain harmonious industrial relations, fostering a positive working environment that supports employee engagement and productivity. The proactive management of industrial relations ensures that any potential issues are addressed promptly, contributing to the overall stability and growth of the organization.

The company's human resources strategy remains focused on building a skilled, motivated and efficient workforce, which is crucial for sustaining growth and achieving business objectives in the coming years.

FINANCIAL PERFORMANCE

(INR in Lakhs)

Particulars	2023-24	2022-23
Revenue from operations	52008.06	39896.37
EBITDA	2413.99	1570.79
Less: Finance Costs	1059.79	905.52
Less: Depreciation and amortization expenses	361.71	430.40
Profit before prior period items	992.49	234.87
Prior period items	–	–
Profit before tax	992.49	234.87
Less: Current Tax	–	–
Deferred Tax	(264.58)	(272.16)
Profit available for appropriations/Loss	1257.07	507.03
Basic Earnings per Share (Rs.)	12.39	5.00
Diluted Earnings per Share (Rs.)	12.39	5.00
Paid up share capital (Face value of INR 10 each)	**1014.41**	**1014.41**

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue Growth: The company achieved a remarkable revenue growth of 30%, reaching INR 521 Crores in FY 2023-24 compared to the previous financial year. This significant increase in revenue reflects the company's strong operational performance and its ability to capitalize on growth opportunities across various business segments. The strategic initiatives and expansion efforts undertaken during the year contributed to this impressive revenue growth.

EBITDA: The Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by 54%, rising from INR 1570.79 Lakhs in FY 2022-23 to INR 2413.99 Lakhs in FY 2023-24. This improvement in EBITDA is a positive sign of the company's ability to enhance profitability through increased scale and efficiency.

Finance Costs: Finance costs saw an increase to INR 1059.79 Lakhs from INR 905.52 Lakhs, primarily due to higher working capital utilization driven by business growth. While the increase in finance costs reflects the need for additional resources to support expanding operations, it also highlights the importance of managing working capital effectively to ensure sustainable financial performance.

Depreciation: Depreciation costs decreased by INR 68.69 Lakhs. This reduction in depreciation expenses indicates a shift in the company's asset-base, potentially reflecting more efficient use of capital and investments in strategic assets that align with long-term growth plans.

Taxation: The company benefitted from Section 80JJAA of the Income Tax Act, 1961 and recognized a Deferred Tax Asset due to timing differences in depreciation between the Income Tax Act and the Companies Act. As a result, the company recorded a tax income of INR 264.58 Lakhs in FY 2023-24, compared to a tax income of INR 272.16 Lakhs in FY 2022-23. This reflects effective tax planning and the utilization of available tax incentives, contributing positively to the company's net profitability.

The company's financial performance in FY 2023-24 demonstrates robust growth and effective management of resources. The significant increase in revenue and EBITDA, coupled with prudent management of finance costs and depreciation, has positioned the company well for continued success. The positive tax outcome further enhances the financial results, contributing to overall profitability. The alignment between operational achievements and financial outcomes underscores the company's strategic focus on sustainable growth and value creation for its stakeholders.

RATIO ANALYSIS FOR FY 2023-2024

In accordance with Schedule V(B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is an analysis of the financial ratios for the fiscal year 2023-2024:

Particulars	2023-24	2022-23
Debtors Turnover (No. of Times)	4.50	4.03
Inventory Turnover (No. of Times)	1.79	1.87
Interest Coverage Ratio (No. of Times)	2.02	1.31
Current Ratio (No. of Times)	1.40	1.43
Debt Equity Ratio	1.40	1.54
Operating Profit Margin (%)	3.95	2.87
Net Profit Margin (%)	2.42	1.28
Return on Net Worth (%)	19.30	9.04

DIRECTORS' REPORT

Dear Members,

The Board of Directors ("Board") of Kapston Services Limited ("Kapston" or "Company") are pleased to present the Sixteenth Annual Report on the business and operations of your company together with the Audited Financial Statements for the financial year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

The summarized Financial Statements of your company are given in the following table below:

(INR in Lakhs)

Particulars	2023-24	2022-23
Revenue from Operations	52008.06	39896.37
EBITDA	2413.99	1570.79
Less: Finance Costs	1059.79	905.52
Less: Depreciation and amortization expenses	361.71	430.40
Profit before prior period items	992.49	234.87
Prior period items	–	–
Profit before tax	992.49	234.87
Less: Current Tax	–	–
Deferred Tax	(264.58)	(272.16)
Profit Available for appropriations/Loss	1257.07	507.03
Basic Earnings per Share (Rs.)	12.39	5.00
Diluted Earnings per Share (Rs.)	12.39	5.00
Paid up share capital (face value of INR 10 each)	1014.41	1014.41

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

2. STATE OF AFFAIRS/ COMPANY'S PERFORMANCE

The Company is a provider of various manpower solutions, which includes General Staffing, Security Services, Integrated Facilities Management Services and IT Staffing Services as per client's requirements.

The company recorded a total turnover including other income at INR 52,132.91 Lakhs (Previous Year INR 40,103.68 Lakhs) up by 30%; The Profit before Tax stood at INR 992.49 Lakhs (Previous year INR 234.87 Lakhs) up by 322.56%; and the Net Profit after Tax and other comprehensive income at INR 1,291.36 Lakhs (Previous year INR 511.85 Lakhs) up by 152.30%.

3. DIVIDEND

The Board of Directors of the company has not recommended any dividend for the financial year ended March 31, 2024.

4. LISTING OF EQUITY SHARES

The securities of the company are listed at National Stock Exchange of India Limited (NSE). The security name of the company on NSE is Kapston Services Limited and NSE scrip symbol is 'KAPSTON'.

The company has paid the listing fee for the financial year 2023-24.

5. TRANSFER TO RESERVES

During the period under review, your company has not proposed to transfer any amount to the General Reserves.

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

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

7. SHARE CAPITAL

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

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

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

During the current financial year 2024-25 face value of the equity shares has been sub-divided to Rs.5/- each from Rs. 10/- each after obtaining necessary approvals and the trading with the face value of Rs.5/- is effective from 9 August, 2024.

* Company has passed an ordinary resolution dated July 3, 2024 through postal ballot by remote e-voting for sub-division of 1 (One) equity share of ₹10/- (Rupees Ten) each into 2 (Two) equity shares of ₹5/- (Rupees Five) each. w.e.f August 9, 2024.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your company has not given any loans/guarantees and not made any investments during the financial year 2023-24, as specified under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

* The company has incorporated a wholly-owned subsidiary in the name of Kapston Manpower Services Private Limited on 27th July, 2024 and the business of the said company has not yet started.

9. DEPOSITS

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

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, there is no Related Party Transaction and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

11. RISK MANAGEMENT

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

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

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

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

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

The policy on prevention of sexual harassment is available on the website of the company at https://kapston services.com/investors/#policies

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

a. number of complaints filed during the financial year - NIL.

b. number of complaints disposed of during the financial year - NA.

c. number of complaints pending at the end of the financial year - NIL.

14. MEETINGS OF THE BOARD

During the year, 5 (Five) Board meetings were convened and held. Details of the number of meetings of Board of Directors and committees thereof and the attendance of the Directors in such meetings are provided under the Corporate Governance Report, which forms part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

15. COMMITTEES OF THE BOARD

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

16. CORPORATE GOVERNANCE

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report as annexure. A certificate from VCAN and Associates, Practicing Company Secretaries, Hyderabad, confirming compliance to conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to the Corporate Governance Report **Annexure I,** which forms part of this Annual Report.

17. POLICY ON DIRECTORS' APPOINTMENT, 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, CFO and Managing Director.

Criteria for selection of Non-Executive Director

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience in the fields of Service Industry, Marketing, Finance 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 qualified for appointment under Section 164 of the Companies Act, 2013.
- The committee shall consider the following attributes, whilst recommending to the board the candidature for appointment as a director:
    - Qualification, expertise and experience of the directors in their respective fields.
    - Personal, professional or business standing.
    - Diversity of the Board.
    - In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Directors and their engagement level.

Remuneration

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

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

For the purpose of selection of the Managing Director, Executive Director, Company Secretary and Chief Financial Officer, the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

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

Remuneration to Managing Director and Executive Director

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

Remuneration Policy for the Senior Management Employees including CFO & CS

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

(i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;

(ii) there is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The policy relating to remuneration of Directors, Key Managerial Personnel, Senior Management and other employees is available on the website of the Company at https://kapstonservices.com/ investors/#policies

18. BOARD EVALUATION AND ASSESSMENT

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

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

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

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

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director and non-executive directors. The Independent Directors also assessed the quality, frequency and timeliness of flow of information between the Board and the management that is necessary for effective performance.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Retirement by Rotation**

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

- **Appointment of Directors as on the Date of Report**

During the year under review, Ms. Vanitha Nagulavari (DIN: 07271674) has been re-appointed as an Independent Director for the second term of 5 consecutive years with effect from 30th August, 2023 and Mr. Srikanth Kodali (DIN 02464623) has been re-appointed as a Managing Director for a period of three years with effect from 29th January, 2024 vide special resolution dated 25th September, 2023 at the 15th Annual General Meeting.

- **Reappointment of Executive Chairman after closing of financial year**

Dr. Chereddi Ramachandra Naidu (DIN: 02096757) is about complete his tenure as an executive chairman. The Board on the recommendation of Nomination and Remuneration Committee is of the opinion to re-appoint Dr. Chereddi Ramachandra Naidu (DIN: 02096757) as an Executive Chairman, for a further period of 3 years w.e.f 29th August, 2024 pursuant to the approval of shareholders in ensuring 16th Annual General Meeting.

- **Appointment and Resignation of KMP**

During the year under review, Mr. Srikanth Kodali, Managing Director, Mr. Kapil Sood, Chief Financial Officer and Ms. Triveni Banda, Company Secretary* are the key managerial personnel of the company in accordance with the provisions of Section (S) 2 (51) and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014.

*Ms. Triveni Banda (A68042) has been appointed as the Company Secretary w.e.f. 15th December, 2023 in the place of Ms. Kalluru Manaswini, who has resigned as a Company Secretary w.e.f. 7th December, 2023.

20. DECLARATION BY THE INDEPENDENT DIRECTORS

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

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

21. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the accounts for the year ended March 31, 2024, the applicable standards have been followed and there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the year under review;

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

d) they have prepared annual accounts of the Company on a 'going concern' basis;

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

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

22. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is placed on the website of the company at https://kapstonservices.com/investors/#annual-return-and-notice

23. CORPORATE SOCIAL RESPONSIBILITY

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

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

The Board has adopted the CSR Policy, as formulated and recommended by the CSR Committee, and is available on the Company's website at https://kapstonservices.com/investors/#policies

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

24. PARTICULARS OF EMPLOYEES

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

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

25. MANAGEMENT DISCUSSION AND ANALYSIS

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

26. STATUTORY AUDITORS

M/S NSVR and Associates LLP, Chartered Accountants, (Firm Registration No.0008801S/S200060), Statutory auditors of the company were appointed for a period of five years by the shareholders of the Company to hold office from the conclusion of the 14th Annual General Meeting till the conclusion of 19th Annual General Meeting.

As required under Section 139 of the Companies Act, 2013, the Company has received a written consent from the Auditors to their continued appointment and also a certificate from them to the effect that their existing appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and rules made thereunder.

The Board has duly examined the Statutory Auditors' Report to the financial statements, which is self-explanatory. The Auditors report for Financial Year 2023-2024 does not contain any qualification, reservation or adverse remark for the year under review. The Auditor's Report is enclosed with the financial statements in this Annual Report. During the year under review, the Auditors have not reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3) (ca) of the Act.

27. SECRETARIAL AUDITOR

M/s VCAN & Associates, Practicing Company Secretaries, Hyderabad were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year 2023-2024 and have submitted the Secretarial Audit Report for the year ending 31 March 2024 which is annexed to this Board's Report as **Annexure-IV.**

As per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in addition to the above mentioned Secretarial Audit Report, listed company is also required to obtain an Annual Secretarial Compliance Report from a practicing Company Secretary w.r.t. the compliances of all applicable SEBI Regulations, amendments, circulars or guidelines etc., by the Company. Accordingly, the same has been obtained and filed with the concerned Stock Exchanges.

Further pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, read with Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to obtain a certificate from Practicing Company Secretary that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The said Certificate has been obtained from M/s VCAN & Associates, Practicing Company Secretaries, Hyderabad which is annexed to this Board's Report as **Annexure- IA**

28. COST AUDIT

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

29. INTERNAL AUDITOR

The Board, on the recommendation of the Audit Committee, in its meeting had approved the appointment of M/s TAN & Associates, Chartered Accountant (Firm Registration No. 024082S) as the Internal Auditors of the Company for Financial year 2023-2024 to conduct the internal audit, which is reviewed each year in consultation with the Audit Committee. On a quarterly basis also, Internal Auditors give presentations and provide a report to the Audit Committee of the Company.

The Board based on the recommendation of the Audit Committee, has appointed M/S TAN & Associates, Chartered Accountant (Firm Registration No. 024082S) as the Internal Auditors for the financial year 2024-2025.

30. POSTAL BALLOT

The Company has not conducted any Postal Ballot during the year under review. However, the Company has conducted the Postal Ballot during the financial year 2024-25 dated 3rd July, 2024 and the details have been mentioned in Corporate Governance Report.

31. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy, code of conduct for regulating, monitoring and reporting insider trading and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the code of conduct for prohibition of insider trading and the same is being implemented by the Company.

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

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

33. VIGIL MECHANISM

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

The details of the Policy is also available on the website of the Company at https://kapstonservices.com/investors/#policies

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.

34. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOL-OGY 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.

35. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

36. COMPLIANCE WITH THE SECRETARIAL STANDARDS

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

37. DISCLOSURE OF ACCOUNTING TREATMENT

The Company in the preparation of financial statements has followed the treatment laid down in the

Accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications on the Company's financial statements for the year under review.

38. OTHER DISCLOSURES

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

*During the financial year 2024-25 the Company has incorporated a wholly owned subsidiary named as Kapston Manpower Services Private Limited on 27th July 2024.

39. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, various State Governments and Company's Bankers and advisors for the valuable advice, guidance, assistance, co-operation, and encouragement they have extended to the Company from time to time. The Directors also take this opportunity to thank the Company's Clients, partners, investors, employees and all other Stakeholders, Regulators and Stock Exchange for their consistent support to the Company.

For and on behalf of the Board
Kapston Services Limited

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

Date: August 10, 2024
Place: Hyderabad

ANNEXURE-I

CORPORATE GOVERNANCE REPORT

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

The Directors present the Company's Report on Corporate Governance for the year ended 31 March 2024, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company's shares are listed on:

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

CORPORATE GOVERNANCE PHILOSOPHY

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

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

The Company has complied with the requirements of corporate governance in accordance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD OF DIRECTORS

(i) The Board is the focal point and custodian of corporate governance for the Company. The Company recognizes and embraces the benefits of having a diverse Board as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible, will be balanced appropriately.

(ii) The size and composition of the Board as on 31st March 2024 is as under:

As on 31 March 2024, the Company has 6 (six) Directors. Out of 6, 3 (three) (i.e. 50%) are Independent Non-Executive Directors, 1 (One) is Non-Independent Non-Executive Director and 2 (two) are Executive Directors.

None of the Directors hold Directorship in more than 7 (seven) listed companies. Further, none of the Independent Directors of the Company served as an Independent Director in more than 7 (seven) listed companies. None of the Independent Directors serving as a Whole-Time Director/Managing Director in any listed entity serves as an Independent Director of more than 3 (three) listed entities.

None of the Directors hold directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies. None of the Directors is a member of more than 10 (ten) committees or chairperson of more than 5 (five) committees across all the public limited companies in which he/she is a Director.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (the Act) and Listing Regulations. The Chairman of the Company is an Executive Director (Non-Promoter)

Classification of Category of Board as on March 31, 2024

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

(iii) The composition of the Board is in compliance with the requirements of Regulation 17 of the Listing Regulations read with Section 149 and 152 of the Act. The profile of the Directors can be accessed on our website at https://kapstonservices.com/investors/#board-committees

(iv) Number of Board meetings held during the year under review:

Board meetings are scheduled as required under the Listing Regulations, the Act and the Rules made there under and as required under business exigencies. The Board met five (5) times during the year under review and the gap between two consecutive meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI").

These meetings were held on:

1. 20-05-2023

2. 31-07-2023

3. 25-10-2023

4. 15-12-2023

5. 24-01-2024

As per the disclosures given by the respective directors, no director is a member of more than ten committees and chairman of more than five committees, as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the companies in which he/she is a director.

a) Attendance of each director at the Board meetings held during the year 2023-2024 and at the last Annual General Meeting:

Sl .No.	Name of the Director	Category	No. of Board Meetings during the Year 2023-2024		Attendance at AGM held on September 25, 2023	[1] No. of Directorships held in other Companies	[2] No. of Committee positions held		No of shares held in the Company	Director ship in other Listed Companies
			Held	Attended			Chairmanship	Membership		
1	Dr. Chereddi Ramachandra Naidu	Chairman, ED (Non-Promoter)	5	5	Yes	2	0	0	641200	-
2	Mr. Srikanth Kodali	MD (Promoter)	5	5	Yes	NIL	0	0	7203693	-
3	Mr. Naveen Nandigam	NED (I)	5	5	Yes	1	1	0	2800	Avantel Limited[3]
4	Ms. Vanitha Nagulavari	NED (I)	5	5	Yes	1	0	0	16200	Genesis IBRC India Limited
5	Mrs. Doddapaneni Kanti Kiran	NED (Promoter)	5	5	Yes	NIL	0	0	188002	-
6	Mr. Nageswara Rao Koripalli	NED (I)	5	5	Yes	NIL	0	0	6000	-

b) Disclosure of Relationships between the Directors inter-se:

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

c) Board qualifications, expertise and attributes:

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

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

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

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1 Excludes directorship in foreign Companies and Companies incorporated u/s. 8 (non-profit companies) of the Companies Act, 2013, including private limited companies.

2 Pertains to memberships/chairpersonships of the AC and SRC of Indian public companies (excluding the Company) as per Regula -tion 26(1)(b) of the Listing Regulations. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.

3 Mr. Naveen Nadigam has resigned from Avantel Limited w.e.f May 2024.

Name of Director	Designation	Years of experience	Field of expertise
Dr. Chereddi Ramachandra Naidu	Chairman, Executive	47 years	Business and Administration
Mr. Srikanth Kodali	Managing Director (Promoter)	22 years	Business, Administration Human Resource Management and Strategic Business Planner.
Mr. Naveen Nandigam	Independent Director	34 years	Financial, Audit and Accounting
Ms. Vanitha Nagulavari	Independent Director	15 years	Legal, Secretarial and Compliance.
Ms. Kanti Kiran Doddapaneni	Non-Executive Director (Promoter)	16 years	Human Resource Management.
Mr. Nageswara Rao Koripalli	Independent Director	36 years	Taxation and Legal Aspects

d) Independent Directors:

(i) Criteria of Independence

Independent Directors are Non Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company have included their names in the Independent Director's Database maintained with the Indian Institute of Corporate Affairs.

(ii) Number of Directorships

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

(iii) Tenure

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

Ms. Vanitha Nagulavari was re-appointed as Independent Director for a term of another Five consecutive years with effect from 30th August, 2023 through Annual General Meeting dated 25th September, 2023.

(iv) Separate meeting of Independent Directors

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on January 24, 2024 without the presence of Non- Independent Directors and members of the management to inter-alia discuss matters pertaining to:

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

Weblink where details of familiarization programmes imparted to Independent Directors:

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

The details of the programmes conducted by the Company for the familiarization of Independent Directors are posted on the Company's website under the weblink: https://kapstonservices.com/wpcontent/uploads /2024/04/ familiarisation-2024pdf

e) Agenda for the meetings and information furnished to the Board:

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

COMMITTEES OF DIRECTORS

Board Committees

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

Statutory Committees

The Board has the following statutory Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

AUDIT COMMITTEE (AC)

Brief description and terms of reference:

The Company has constituted a qualified and independent Audit Committee comprising of two third members as independent directors in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

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

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

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

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

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

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

Meetings and attendance during the financial year 2023-24:

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

Date of the Meeting	Number of Committee Members attended
May 20, 2023	3
July 31, 2023	3
October 25, 2023	3
January 24, 2024	3

The gap between two Audit Committee meetings was not more than one hundred and twenty days (120 days). The necessary quorum was present at all the meetings.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

The Nomination and Remuneration Committee reviews the profiles & experience, performance appraisals and recommends the remuneration package payable to executive director(s), Key Managerial Personnel and other senior executives in the top level management of the Company and other elements of their appointment and acts in terms of reference of the Board from time to time.

The Company's Remuneration Policy as applicable to directors, key managerial persons and other senior management personnel of the Company is posted on the company's website at the following web address: https://kapstonservices.com/investors/#policies

Composition, name of members and chairperson

During the year, two (2) meetings of Nomination and Remuneration Committee were conducted. The composition of the Committee and attendance details at meetings held on 31st July, 2023 and 15th December, 2023 during the financial year 2023-24 are as follows:

S.No.	Name of the Director	Nature of Directorship	Designation	No of Meeting(s) Attended
1	Ms. Vanitha Nagulavari	Independent Director	Chairperson	2
2	Mr. Naveen Nandigam	Independent Director	Member	2
3	Ms. Kanti Kiran Doddapaneni	Non-Executive Director	Member	2

Company Secretary of the Company acts as Secretary to the Committee.

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Performance evaluation criteria for Independent Directors:

Independent Directors have three key roles to play those are:

a. Governance

b. Control

c. Guidance

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

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

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

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

Further, the Nomination and Remuneration Committee reviewed/evaluated the balance of skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that re-appointment of Ms. Vanitha Nagulavari for another term of Five Consecutive Years.

Performance evaluation was done by the respective bodies on January 24, 2024.The minutes of the meetings of the Committee is placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

REMUNERATION OF DIRECTORS

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

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

Apart from the above, Executive Chairman and Managing Director are also eligible for other benefits in terms of their appointment and as per the HR policies of the Company.

Sitting Fee paid to Non-Executive Directors and their shareholding as on March 31,2024 is as follows:

Name of the Director	Designation	Sitting fees paid (Amount in INR)	No. of shares held on 31-03-2024
Mr. Naveen Nandigam	Independent Director	2,00,000	2800
Ms. Vanitha Nagulavari	Independent Director	2,00,000	16200
Ms. Kanti Kiran Doddapaneni	Non- Executive Director (Promoter Group)	Nil	188002
Mr. Nageswara Rao Koripalli	Independent Director	2,00,000	6000

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

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

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

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

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

Company Secretary of the Company acts as Secretary to the Committee.

During the year under review, the meeting of Stakeholder Relationship Committee was held on January 24, 2024, and all the members of the Committee have attended the meeting.

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

Name of the Non-Executive Director heading the committee	Ms. Kanti Kiran Doddapaneni
Name and designation of the Compliance Officer	Ms. Triveni Banda, Company Secretary and Compliance Officer
Number of Shareholders' Complaints received in FY 2023-24	Nil
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)

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

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

Company Secretary of the Company acts as Secretary to the Committee

Meetings and attendance during the year 2023-24

During the year Two (02) meetings of the Corporate Social Responsibility Committee were held and the details of attendance of the directors in such meetings are as follows:

Date of the Meeting	Number of Committee Members Attended
July 31, 2023	3
January 24, 2024	3

RISK MANAGEMENT COMMITTEE

According to the provisions of SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015, The applicability of Risk Management Committee is limited to the Top One Thousand (1000) listed Companies. It is not applicable to our Company.

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR:

The particulars of the Senior Management are provided in the Company overview section of the Annual Report. Further, there is no change in the particulars of senior management during the financial year.

GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue	Special Resolution Passed
2022-23	25th September 2023 04.00 P.M	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	1) Re-appointment of Ms. Vanitha Nagulavari (DIN: 07271674) as an Independent Director of the Company
			2) Re-appointment of Mr. Srikanth Kodali (DIN: 02464623) as Managing Director of the Company.
2021-22	23rd September 2022 03.00 P.M	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	No Special Resolution was passed during the said AGM
2020-21	18th September 2021 11.00 A.M	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	Re-appointment of Dr. Chereddi Ramachandra Naidu as Chairman of the company.

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

Financial year ended	Date	Venue	Time	Special Resolution passed
2022-2023	No General Meetings were held other than Annual General Meeting			
2021-2022	No General Meetings were held other than Annual General Meeting			
2020-2021	No General Meetings were held other than Annual General Meeting			

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

<table>
<tr><th>Financial year ended</th><th>Date of Declaration of Results</th><th>Person who conducted the Postal Ballot Exercise</th><th>Procedure for Postal Ballot</th><th colspan="2">Whether any Special Resolution was proposed and Passed through postal Ballot - details of voting pattern</th></tr>
<tr><td rowspan="3">2022-23</td><td rowspan="3">March 27, 2023</td><td rowspan="3">CS. D. S. Rao, Practicing Company Secretary, (CP No. 14487)</td><td rowspan="3">The Postal ballot is conducted in accordance with the provisions of sec 110 of The Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time</td><td colspan="2">Re-appointment of Mr. Naveen Nandigam, (DIN: 02726620) as an Independent Director of the Company</td></tr>
<tr><td>No. of valid postal ballot and electronic votes</td><td>42</td></tr>
<tr><td>No. of Equity shares</td><td>85, 49, 539 (all votes are in favour)</td></tr>
</table>

*During the financial year 2023-24, no postal ballot was held. However, the Company has conducted a postal ballot dated 3rd July, 2024 for sub-division of equity shares of the Company.

MEANS OF COMMUNICATION

a. Quarterly Financial Results:

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

b. Newspapers wherein results normally published

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

c. Website:

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

d. Annual Report:

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

e. Whether it also displays official news releases:

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

f. Presentations made to institutional investors or to analysts:

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

g. SEBI Complaints Redress System (SCORES):

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

GENERAL SHARE HOLDER'S INFORMATION

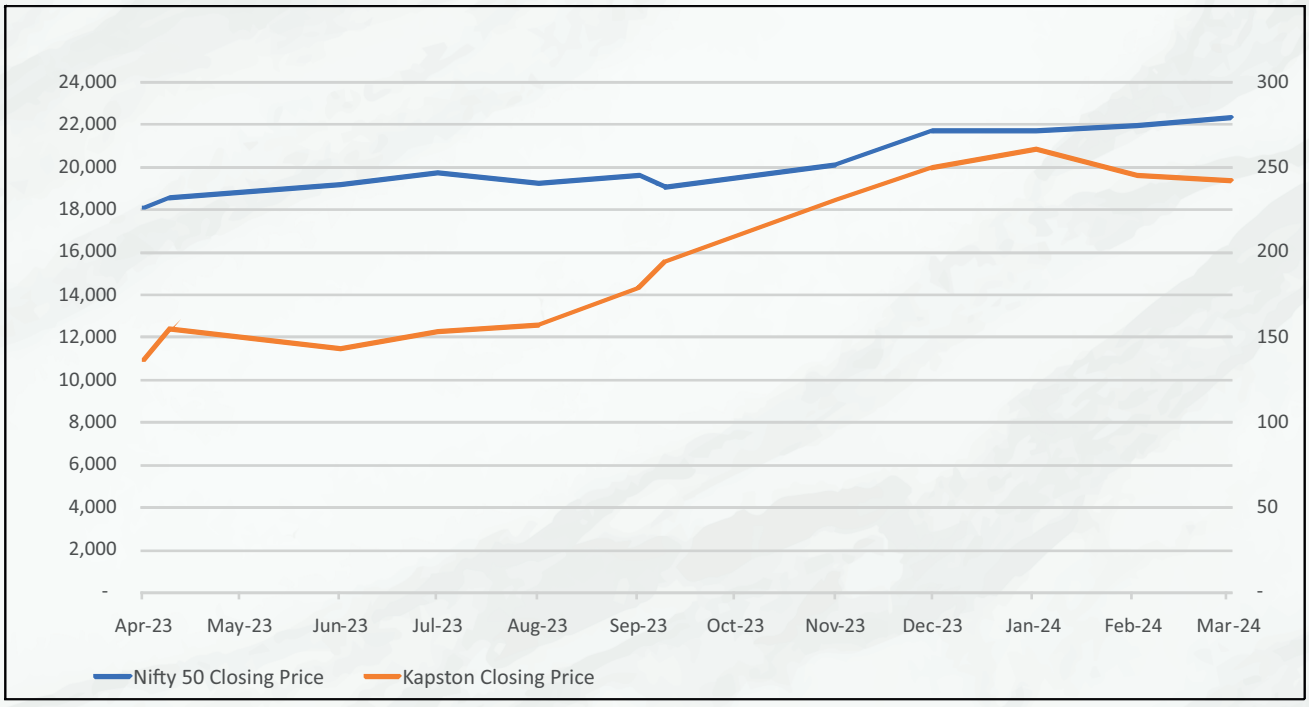
<table>
<tr><td>CIN Number:</td><td colspan="3">L15400TG2009PLC062658</td></tr>
<tr><td>Registered Office</td><td colspan="3">Plot No. 287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad - 500072, Telangana, India.</td></tr>
<tr><td>Corporate Office</td><td colspan="3">Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034 Telangana, India.</td></tr>
<tr><td>Annual General Meeting Date and Time:</td><td colspan="3">September 27, 2024 at 04.00 PM</td></tr>
<tr><td>Venue:</td><td colspan="3">Corporate office of the Company
Plot No 75, Kavuri Hills, Madhapur, Hyderabad
500034 Telangana, INDIA</td></tr>
<tr><td>Financial Year</td><td colspan="3">April 1, 2023 to March 31, 2024</td></tr>
<tr><td>Dividend Payment Date</td><td colspan="3">During the year under review, the Company has not declared and paid dividend to the members.</td></tr>
<tr><td rowspan="3">The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):</td><td colspan="3">National Stock Exchange of India Limited, Exchange Plaza' 5th Floor, Plot No. C/1, `G-' Block, Bandra - Kurla Complex Bandra (E), Mumbai - 400 051</td></tr>
<tr><td>Name of the Stock Exchange</td><td>Stock Code</td><td>Scrip Code</td></tr>
<tr><td>NSE</td><td>N.A</td><td>KAPSTON</td></tr>
<tr><td colspan="4">Listing fees to the stock exchange and Annual custodian fees to depositories for the year 2024-25 have been paid.</td></tr>
</table>

Market price data & Share performance of the Company:

The monthly high, low and trading volumes of the Company's equity shares during the financial year 2023-24 and Closing share price performance in comparison to broad based Index-NSE Nifty at National Stock Exchange of India Limited (NSE) are given below:

Month	Company's Share Price			NSE Nifty	
	High (INR)	Low (INR)	Volume (In Lakhs)	High (INR)	Low (INR)
April, 2023	144.00	125.10	0.24	18089.15	17312.75
May, 2023	167.00	121.10	1.88	18662.45	18042.40
June, 2023	159.10	140.00	1.39	19201.70	18464.55
July, 2023	153.30	138.30	0.91	19991.85	19234.40
August, 2023	177.35	152.20	2.91	19795.60	19223.65
September, 2023	188.05	151.60	2.03	20222.45	19255.70
October, 2023	211.00	165.30	3.67	19849.75	18837.85
November, 2023	259.50	195.60	3.77	20158.70	18973.70
December, 2023	259.15	220.20	0.78	21801.45	20183.70
January, 2024	304.10	244.45	1.26	21928.25	21137.20
February, 2024	270.00	234.40	0.97	22297.50	21530.20
March, 2024	263.60	220.10	0.60	22526.60	21710.20

Company's monthly closing price performance in comparison with Nifty 50 closing price is as follows:



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

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

Registrar to an Issue and Share Transfer Agents:

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

Share Transfer System:

Bigshare Services Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent. Share transfers are registered and processed in the normal course in line with Schedule VII to the Listing Regulations. The Registrar and Share Transfer Agent has been delegated the power of share transfer to expedite the transfer formalities, which is in line with Schedule VII and Regulation 40 of the SEBI (Listing Obligations and Disclosure Regulations) 2015.

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

Compliance certificate pursuant to Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying the compliance of share transfer/ transmission formalities is being obtained from a Practicing Company Secretary on yearly basis and is filed with the Stock Exchange.

Compliance certificate pursuant to Regulation 7(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, jointly signed by the Company Secretary/Compliance Officer and the Registrar & Share Transfer Agent is also filed with the stock exchange on yearly basis.

Distribution of shareholding (in Rupees) as on March 31,2024:

S.No	Shareholding of Nominal (INR)	No. of Shareholders	% of total	Share amount (INR)	% to Total share amount
1.	1-5000	2497	90.1119	2053760	2.0246
2.	5001-10000	114	4.1140	898140	0.8854
3.	10001-20000	73	2.6344	1044370	1.0295
4.	20001-30000	17	0.6135	430160	0.4241
5.	30001-40000	16	0.5774	551900	0.5441
6.	40001 - 50000	6	0.2165	292270	0.2881
7.	50001-100000	17	0.6135	1275480	1.2574
8.	100001 and above	31	1.1187	94894530	93.5469
	Total	**2771**	**100**	**101440610**	**100**

The total no. of shareholders i.e 2771 inclusive of the shareholders who hold more than one Demat account with same PAN.

Shareholding Pattern as on March 31,2024:

Category	No of Shares Held	Percentage of Capital
Promoters (Individuals)	7391695	72.87
Directors and their relatives (Non- Promoter)	1131550	11.15
Banks, Financial Institutions, and Mutual Funds	Nil	-
Foreign Portfolio Investors and Foreign Institutional Investors	Nil	-
Indian Public and HUF	1612506	15.89
Private Corporate Bodies/Body Corporate	1672	0.01
NRI/OCB's/FCB and Foreign Nationals	6638	0.06
Total	**10144061**	**100**

Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of Shareholders	% of total shareholders
10144061	100	2771	100

The breakup of Shares in Demat and physical form as on 31st March, 2024 is as follows.

Particulars	No. of shares of Rs.10 /- each	% of Shares
Demat Segment		
NSDL	9551673	94.16
CDSL	592388	5.84
Sub-total	10144061	100.00
Physical Segment	Nil	----
Total	**10144061**	**100.00**

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

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments in the past and hence, as on 31 March 2024, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities:

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

Our Branches:

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

S. No	Branch	Address	Nature of Operation
1	**Corporate Office**	Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034	Administration, Back end operation
2	**Registered office (Recruitment Centre-1)**	Plot No. 287, MIG - 2, IX Phase, KPHB, Kukatpally, Hyderabad - 500 072	Recruitment, Administration, Training
3	**Recruitment Centre -2**	Flat # 201, 9/HIG-A & 10/HIG, Vasista Bhavan, APHB Colony, Gachibowli, Hyderabad - 500 032	Recruitment, Training
4	**Vizag**	50-49-25/1, 2nd Floor, TPT Colony, Seethammadhara, Opp. NRI Hospital, Vishakapatnam – 530013.	Regional Operation
5	**Guntur**	Plot No. 50, Door No.133-171, 3rd Lane, Sai Nath Colony, Mahatma Gandhi Inner Ring Road, Guntur Dist, AP-522034	Regional Operation
6	**Bengaluru**	3rd Floor, INNOVA PARL, situated at No. 17, 5th Block, Koramangala Industrial Layout, Bengaluru - 560091	Regional Operation
7	**Chennai**	25/73, Velachery Road, Little Mount, Saidapet, Chennai - 600015	Regional Operation
8	**Bhubaneshwar**	4th Floor, Flat No. 10, Plot No A/181, Janardhan House, Shaheed Nagar, Landmark : Opp to OPDC Building, Shaheed Nagar, Bhubaneshwar District Khurda, Odisha -751007	Regional Operation
9	**Pune**	Office No. 03, Wing B, 4th Floor, Office No. 3, B Wing, City Vista, Kharadi, Pune – 411014	Regional Operation
10	**Mumbai**	UNIT No. 208, A Wing, Sagar Tech Plaza, Andher - Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072.	Regional Operation
11	**Kolkata**	AURORA WATERFRONT, 7th Floor, Unit No.6 (706), GN-34/1, Salt Lake, Sector V, Kolkata - 700091	Regional Operation
12	**Delhi**	Office Space No. 820, 8th Floor, DLF Tower –A, Jasola, New Delhi 110025	Regional Operation
13	**Jaipur**	Ward No 08, Dabarwas Village, Neemrana Taluk, Alwar District, Rajasthan State, PIN 301704	Regional Operation
14	**Ahmedabad**	Awfis, 1st & 2nd Floor, RE 11, Near Vikramnagar, Iscon, Ambli Rd, Ambli, Ahmedabad, Gujarat 380058	Regional Operation

Our Training Centers

S.No.	State	Location	Address
1	Telangana	Hyderabad	Kapston Training Academy, H.No. 1-1-31/1, Under GHMC, Rajendranagar Circle, Rangareddy, Hyderabad, Telangana- 500030
			Kapston Training Academy, Plot No. 287, MIG - 2, IX Phase, KPHB Colony, Hyderabad, Telangana- 500072
			Kapston Training Academy, Flat # 201, 9/HIG-A & 10/HIG, Vasista Bhavan, APHB Colony, Gachibowli, Hyderabad - 500 032

Address for Correspondence:

Corporate Office	Kapston Services Limited Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034
Telephone Numbers	+91 9848778243 +91 40 29806955 +91 9640504050
Website	www.kapstonservices.com
Email-id:	cs@kapstonservices.com

Credit rating:

Kapston Services Limited has obtained credit rating from CRISIL, an S & P Global Company and they have given their credit rating vide its letter dated April 04,2024, the credit rating details are as follows :

Long Term Rating	CRISIL BBB/Negative
Short Term Rating	CRISIL A3+

OTHER DISCLOSURES

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

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

The Remuneration paid to Managing Director and Executive Chairman is approved by Shareholders as per the provisions of Companies Act, 2013.

Policy for Related Party Transactions is hosted on the Company's website at https://kapstonservices.com/investors/#policies

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

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. No penalty has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

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

The Company has adopted the Whistle-Blower Policy pursuant to which employees of the Company can raise their concerns relating to mal practices, in appropriate use of funds or any other activity or event which is against the interest of the Company.

The Policy is placed on the website of the Company under the weblink: https://kapstonservices.com/investors/#policies

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

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

E. Web link of the Policy for determining "material" subsidiaries is disclosed:

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

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

The Board has formulated a policy on Related Party Transactions and has revised it from time to time in the light of amendments to the Listing Regulations and the same is available on the Company's website under the web link: https://kapstonservices.com/investors/#policies

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

The Company is not dealing in any commodities.

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

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

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

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

Particulars	Amount (In Lakhs)
Name of Auditor	NSVR & Associates LLP.
Statutory Audit	10,00,000

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

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

The disclosure pertaining to the complaints are given here under:

No of complaints received during the year	NIL
No of complaints disposed off during the year	NA
No of complaints pending as on end of financial year	NIL

M. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

The Company has not given any loans and advances to firms/company in which directors are interested.

N. Details of material subsidiaries of the listed entity: Not Applicable

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

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

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

(i) The Board:

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

(ii) Shareholders Rights:

All quarterly /half yearly (when the Company was listed on NSE Emerge) financial results are submitted to the stock exchanges and are simultaneously placed on the web site of the Company at www.kapstonservices.com

(iii) Modified opinion(s) in audit report:

There are no modified opinions in the Audit Report for the financial year ended March 31, 2024.

(iv) Reporting of Internal Auditor:

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

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

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

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

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

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

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

Particulars of senior management including the changes therein since the close of the previous financial year: Not Applicable

MD & CFO Certification:

The Managing Director and Chief Financial Officer have provided a certificate in compliance with the Regulations 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is enclosed here with as **Annexure I B.**

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

Compliance Certificate on the compliance of conditions of corporate governance pursuant to Para E of Schedule V

to the SEBI (LODR) Regulations, 2015 from VCAN and Associates, Practicing Company Secretaries, Hyderabad, is enclosed here with as **Annexure I C.**

Transfer of shares to Investor Education & Protection Fund: IEPF

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

Unclaimed Equity Dividends and Shares:

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

Guidance for Investor to file claim: Not Applicable

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

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

Disclosure of certain types of agreements binding listed entities under clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015:

There were no such agreements entered which has effect either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon t he listed entity.

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

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

Date: August 10, 2024
Place: Hyderabad

Annexure - I A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with clause (10)(i) of Para C of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

Kapston Services Limited

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

Kukatpally, Hyderabad, TG-500072 IN.

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of Kapston Services Limited having CIN: L15400TG2009PLC062658 and having registered office at PLOT NO.287, MIG-2, IX PHASE, KPHB, KUKATPALLY, HYDERABAD TG 500072 IN. (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the directors on the Board of the Company as stated below, for the financial year ending on 31st March, 2024, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

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

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

For VCAN & Associates
Company Secretaries
Sd/-
Ajay Naga Chowdary Vemuri
M No.: F11106
CP No.: 15460
UDIN:F011106F000945127
PR NO.:1193/2021

Place: Hyderabad
Date: 10.08.2024

Annexure-I B

COMPLIANCE CERTIFICATE

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,

The Board of Directors
Kapston Services Limited

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

1. We have reviewed financial statements and the cash flow statement for the financial year ended 31 March 2024 and that to the best of our knowledge and belief, we state that:

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

   b. these statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

3. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

   a. significant changes in internal controls over financial reporting during the year.

   b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and

   c. That there have been no instances of significant fraud of which we have become aware, involving of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Date: August 10, 2024
Place: Hyderabad

Sd/-
Srikanth Kodali
Managing Director
(DIN 02464623)

Sd/-
Kapil Sood
Chief Financial Officer

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

I, Srikanth Kodali, Managing Director, hereby declare that the Company has received declarations from all the Board Members and Senior Managerial Personnel affirming Compliance with the Code of Conduct for the Members of the Board and Senior Managerial Personnel for the year ended 31st March, 2024.

Date: August 10, 2024
Place: Hyderabad

Sd/-
Srikanth Kodali
Managing Director
(DIN 02464623)

Annexure - I C

PRACTICING COMPANY SECRETARY'S CERTIFICATE REGARDING CORPORATE GOVERNANCE

To
The Members
KAPSTON SERVICES LIMITED
Plot No.287, MIG-2, IX Phase KPHB,
Kukatpally, Hyderabad TG 500072 IN

We have examined the compliance of the conditions of Corporate Governance by Kapston Services Limited (hereinafter referred to as "the Company") for the year ended **March 31, 2024**, as stipulated in Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are in the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended **March 31, 2024**.

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

For VCAN & Associates
Company Secretaries

Sd/-
Ajay Naga Chowdary Vemuri
M No.: F11106
CP No.: 15460
UDIN:F011106F000945083
PR No.: 1193/2021

Date: 10.08.2024
Place: Hyderabad

Annexure - II

ANNUAL REPORT ON CSR ACTIVITIES

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

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

In pursuance of the Companies Act, 2013 and in alignment with its vision, the Company through its CSR initiatives continues to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The Company's Vision Statement is to actively contribute to the social and economic development of the communities of the area in which we operate. In doing so, build a better, sustainable way of life for the underprivileged, and raise their overall standard of living.

Key Focus Areas of the CSR Policy are:

- To promoting education
- Rural Development Projects
- eradicating extreme hunger and poverty to help underprivileged children to access quality education.
- To promote gender equality and empowering women.
- To help underprivileged children to access quality education

2. Composition of CSR Committee

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

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

- The composition of CSR Committee is available at https://kapstonservices.com/investors/#board-committees
- The web link to the CSR policy is available at https://kapstonservices.com/investors/#policies
- The web link to the projects/Annual Report of activities as approved by the Board of Directors is available at https://kapstonservices.com/investors/#annual-report

4. Provide the executive summary along with weblink (s) of Impact Assessment of CSR projects carried

out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. a. Average Net Profit of the Company as per Section 135(5) of the Act: **INR 382.79 Lakhs**

   b. Two percent of average net profit of the Company as per Section 135(5) of the Act: **INR 7.66 Lakhs**

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

   d. Amount required to be set off for the Financial Year, if any: **INR 01.01 Lakhs**

   e. Total CSR obligation for the Financial Year (a+b-c): **INR 6.65 Lakhs**

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).-**INR 6.65 Lakhs**

   b. Amount spent in Administrative Overheads- **NIL**

   c. Amount spent on Impact Assessment, if applicable. –**NOT APPLICABLE**

   d. Total amount spent for the Financial Year [(a)+(b)+(c)] - **INR 6.65 Lakhs**

   e. CSR amount spent or unspent for the Financial Year:-

Total amount spent	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 7.66 Lakhs	-	-	NA	-	NA

   f. Excess amount for set-off, if any:

S. No.	Particulars	Amount (INR) (In Lakhs)
(i)	Two percent of average Net Profit of the Company as per Section 135(5) of the Act	7.66
(ii)	Total amount spent for the Financial Year	7.66
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount payable for set off in succeeding financial years [(iii)-(iv)]	0

7. **Details of Unspent CSR amount for the preceding three Financial Years:**

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

8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:** No

   If yes, enter the number of Capital Assets created/acquired: Not Applicable

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short Particulars of the property or asset(s) {including complete address and location of the property}	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

9. **Specify the reason(s), if the company has failed to spend two percent of the average net profit as per subsection (5) of Section 135:** Not applicable

For and on behalf of the Board
Kapston Services Limited

Sd/-
Kodali Srikanth
Managing Director&
Chairman of CSR
Committee
DIN: 02464623

Sd/-
Chereddi Ramachandra Naidu
Chairman
DIN:02096757

ANNEXURE III

Information as per Rule5 (1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

S.No	Name of Director / Key Managerial Personnel	Remuneration 2022-23 (p.a) INR	Remuneration 2023-24 (p.a) INR	Percentage (%) Change	Ratio to Median Remuneration
1	Mr. Srikanth Kodali	1,20,00,000	1,20,00,000	0	26.94
2	Dr. Chereddi Ramachandra Naidu	15,00,000	15,00,000	0	3.37
3	Mr. Kapil Sood	39,65,536	44,33,465	12%	9.95
4*	Ms. Kalluru Manaswini	7,80,612	6,54,422	N.A.	N.A.
5**	Ms. Triveni Banda	0	2,66,014	N.A.	N.A.

Note: Ms. Kanti Kiran Doddapaneni has abstained from receiving remuneration from the Company and hence, not stated

*Ms. Kalluru Manaswini has resigned as Company Secretary and Compliance Officer of the Company, effective from December 07, 2023

**Ms. Triveni Banda was appointed as a Company Secretary and Compliance Officer of the Company, effective from December 15, 2023. Hence, her remuneration for last financial year was not comparable since it was only for 4 months.

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 2023-2024)

Independent /Non-Executive Directors	Sitting fee (Rs. in Lakhs)	Ratio to Median Remuneration
Mr. Naveen Nandigam	2.00	0.45
Ms. Vanitha Nagulavari	2.00	0.45
Mr. K Nageswara Rao	2.00	0.45

ii) The percentage of increase in the median remuneration of employees in the financial year: 10%

iii) The number of permanent employees on the rolls of the Company:335

iv) ThemedianremunerationofemployeesoftheCompanyduringthefinancialyearwas: INR 4,45,464

v) Affirmation that the remuneration is as per the remuneration policy: The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board
Kapston Services Limited

Sd/-
Chereddi Ramachandra Naidu
Chairman
(DIN 02096757)

ANNEXURE IV

Form No. MR-3
SECRETARIAL AUDIT REPORT

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

To
The Members
Kapston Services Limited
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KAPSTON SERVICES LIMITED**,(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, 2024,** 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 there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India ('SEBI')there under;

(iv) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations, 2015;

(c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(d) The Securities and Exchange Board of India(Depositories and Participants) Regulations, 2018;

(v) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Financial Year under review: -

(a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ;

(vi) The industry-specific laws that are applicable to the Company are as follows:

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

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

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

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

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

S.No.	Name of the Director	Appointment/ Reappointment/ Change in designation/ Cessation	Our Comments
1	Mrs. Vanitha Nagulavari	Re-Appointment	Reappointed as an independent director w.e.f. 30th August, 2023and the same was approved by shareholders at 15th AGM held on 25th September, 2023
2	Mr. Srikanth Kodali	Re-Appointment	Reappointed as the Managing Director of the Company w.e.f. 29th January, 2024 vide board resolution dated: 31st July, 2023, and the same was approved by the shareholders at 15th AGM held on 25th September, 2023.

3	Mr. Chereddi Ramachandra Naidu	Re-Appointment	Reappointed as a director at 15th AGM held on 25th September, 2023 upon retirement by rotation in accordance with the provisions of Sec. 152 of Companies Act, 2013.

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

Adequate notice was given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

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

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

For VCAN & Associates
Company Secretaries

Date: 10.08.2024
Place: Hyderabad

Sd/-
Ajay Naga Chowdary Vemuri
C.P. No. 15460
UDIN: F011106F000944863
Peer Review Cer. No.1193/2021

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

'Annexure A'

To
The Members,
Kapston Services Limited
Hyderabad

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained Management representation about the compliance of laws, rules, and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VCAN & Associates
Company Secretaries

Date: 10.08.2024
Place: Hyderabad

Sd/-
Ajay Naga Chowdary Vemuri
C.P. No. 15460
UDIN: F011106F000944863
Peer Review Cer. No.1193/2021

INDEPENDENT AUDITOR'S REPORT

TO
The Members of Kapston Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **KAPSTON SERVICES LIMITED** ("the Company"), for the which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flows for the year ended on that date, and a summary of the Material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit, total comprehensive income, changes in equity 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.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How the Matter was addressed in Audit
Accuracy of recognition, measurement, presentation & disclosures of revenue The company's revenue for the financial year ending 31 March 2024 is Rs 52,008.06 Lakhs. A significant portion of the company's revenue is derived from contracts with customers which consist of rendering of services. Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations in accordance with the contractual terms. Revenue is measured at the fair value of consideration received or receivable. Further, the contractual terms also determine the measurement and recognition of revenue and profit. The Company is therefore required to make operational and financial assumptions and various judgements. The nature of services provided by the company also gives rise to accrued/unbilled revenue with corresponding profit recognition. Accrued/ unbilled income for the financial year ending 31 March 2024 is Rs 1142.70 Lakhs **Judgements include:** • Interpretation of contract terms. • Allocation of revenue to performance conditions; and • Combining of obligations where the services are related.	***Principal Audit Procedures*** • Our audit procedures include testing and evaluation of the internal control system implemented in respect of revenue and related activities. Our audit also consists of performing analytical procedures, review of contracts and agreements with the customers to understand the performance obligations of the parties. • We have also performed testing of key controls over the contract process including contract monitoring, measurement of critical elements of the contract based on which revenue is recognized, invoicing and authorizations over certain systems used to generate the information. The basis for the evaluation of internal control has been performed on sample basis **We have performed the following audit procedures:** Obtained a sample of contracts to confirm that revenue had been appropriately recognized. Tested the revenue recognized with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied. Based on our audit, no significant observations have been noted which have resulted in reporting to the audit committee. Our overall conclusion is that there are, in all material respects, proper processes in place to recognize the correct billed and unbilled revenue in the financial statement.

Trade Receivable:

Trade receivables, as indicated in Note No 8, 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 61.35% of the total assets of the company and the outstanding trade receivables are about 89 days of the total revenue.

Accordingly, the value of receivables comprises a significant portion of the total assets of the company.

Deferred tax assets:

The company has recognized Rs 967.71 Lakhs of deferred tax assets as at 31 March 2024.the recognition of deferred tax asset involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be a sufficient taxable profit in future periods that support the utilization of these assets.

For details refer to note 6 of the financial statements.

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- 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.

Our audit procedure in relation to recognition of deferred tax assets/liabilities includes:

- Evaluation of design and testing the operating effectiveness of key controls implemented by the company over recognition of deferred tax assets based on the assessment of the company's ability to generate sufficient taxable profit's in the foreseeable future allowing the use of deferred tax assets.
- Tested the arithmetical accuracy of the calculations performed by the management.
- Evaluated management's assessment for adjustment of such deferred tax assets as per the provisions of Income tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income taxes.
- Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.

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

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

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.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, and cash flows of the Company in accordance with the accounting principles generally accepted in India, referred to in Section 133 of Companies Act 2013, read with the Companies (Indian Accounting standard) Rules, 2015.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of significance in the audit of the financial statements of the current period and are therefore the key audit matters. We

describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the central government, 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 A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Companies Act 2013, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet and Statement of Profit and Loss including Other comprehensive income and Cash flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder

   e) On the basis of written representations received from the directors as on 31March 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on 31March 2024, 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 B"; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. There are no pending litigations for or against the Company which would impact its financial position.

      ii. The Company does not have any derivatives contracts. Further there are no long-term contracts for which provisions for any material foreseeable losses are required to be made.

      iii. There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the

Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lender invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under Sub-clause (a) and (b) contain any material misstatement.

i. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination, which included test checks, the company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For NSVR & ASSOCIATES LLP.,
Chartered Accountants
Firm Registration No: 008801S/S200060

Sd/-
R Srinivasu
Partner
M.No:224033
UDIN:24224033BKCRDJ3744

Date :09 May 2024
Place: Hyderabad.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

i. (a) In respect of the Company's Property, Plant and Equipment:

(A) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has maintained proper records full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) Maintenance of Proper records for Intangible records is not applicable to the company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this program, certain property, plant, and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(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(other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets).

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory, except stock lying with third parties, has been physically verified by the management during the year. For stock lying with third parties at the year end, written confirmation have been obtained or the stock listing is obtained from third parties. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions agree with the books of accounts of the Company.

iii. (a) According to the information and explanations given to us and on the basis of our examination of therecords of the company, During the year the company has not given any advances in the nature of loan, provided any guarantee or given any security to its subsidiaries, Joint ventures, other companies, firms, Limited Liability Partnerships or any other parties.

(b) The company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the order is not applicable to the company to that extent.

(c) The company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the order is not applicable to the company to that extent.

(d) In the absence of any loans or advances in the nature of loans outstanding as at the year end, the question of whether there are amounts overdue for more than ninety days as the balance sheet date and reasonable steps have been taken by the company for recovery of the principal and interest does not arise and accordingly this sub clause 3(iii)(d) is not applicable.

(e) In the absence of any loans or advances in the nature of loans fallen due during the year and hence the question of whether the loan has been renewed or extended or fresh loans are granted to settle the overdue of existing loan given to the same parties does not arise and accordingly this sub clause is not applicable.

(f) In the absence of any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence the questions of aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to promoters ,related parties as defined in clause 76 of section 2 of the companies Act, 2013 does not arise and accordingly, this sub clause 3(iii)(f) is not applicable.

iv. The company has not advanced any loans or guarantees to the directors of the company. Hence this clause is not applicable to the company.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. As per information & explanation given by the management, The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at 31March 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below

Name of the Statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates FY	Forum Where the dispute is Pending
The Income tax Act, 1961	Income tax	121.12	2016-17	High Court for the State of Telangana

viii. According to the information and explanation given to usand on the basis of our examination of the records of the company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanation given to us, the terms loans have been applied for the purpose for which they have been obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has not use any short-term funds raised for long term purposes during the year.

(e) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations.

(f) The Company does not have any subsidiary, associate, or Joint venture. Accordingly, the requirement to report on clause (ix)(f) of the order is not applicable to the company.

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

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

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

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

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

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

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

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

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

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

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

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

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors of the Company during the year.

xix On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are Opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

xx In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For NSVR &ASSOCIATES LLP.,
Chartered Accountants
Firm Registration No: 008801S/S200060

Sd/-
R Srinivasu
Partner
M.No:224033
UDIN:24224033BKCRDJ3744

Date :09 May 2024
Place: Hyderabad.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **KAPSTON SERVICES LIMITED.**

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

Opinion

We have audited the internal financial controls over financial reporting of **KAPSTON SERVICES LIMITED**("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed underSection143(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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

For NSVR &ASSOCIATES LLP.,
Chartered Accountants
Firm Registration No: 008801S/S200060

Sd/-
R Srinivasu
Partner
M.No:224033
UDIN:24224033BKCRDJ3744

Date :09 May 2024
Place: Hyderabad.

Statement of Assets and Liabilities as at 31 March 2024

(All amount are in Lakhs unless otherwise specified)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
(1) Non -current assets			
a) Property plant and Equipment	2	457.29	521.56
b) Right of Use Asset	3	184.30	159.66
c) Investment Property	4	1,138.29	1,138.29
d) Financial asset			
(i) Other Financial assets	5	162.75	133.67
e) Deferred Tax Assets (Net)	6	967.71	714.66
f) Other Non current Assets			
Total Non current Assets		**2,910.34**	**2,667.84**
(2) Current assets			
(a) Inventories	7	504.34	489.98
(b) Financial assets			
(i) Trade receivables	8	12,677.35	10,451.02
(ii) Cash and cash equivalent	9	55.45	26.90
(iii) Bank Balance other than (ii) above	10	636.71	574.41
(iv)Other financial assets	11	1,800.90	1,319.02
c) Other current assets	12	2,079.14	2,431.36
Total Current Assets		**17,753.88**	**15,292.69**
Total Assets		**20,664.22**	**17,960.53**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	1,014.41	1,014.41
b) Other Equity	14	6,143.18	4,851.83
LIABILITIES		**7,157.59**	**5,866.24**
1) Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	15	360.47	878.70
(ia) Lease Liabilities	16	79.66	133.45
(ii) Other Financial Liabilities			
b) Provisions	17	388.73	281.40
Total Non current Liabilities		**828.86**	**1,293.55**
2) Current liabilities			
a) Financial Liabilities			
i) Borrowings	18	9,655.56	8,140.38
ia) Lease Liabilities	19	126.21	72.68
ii) Trade payables			
a) Total outstanding due of Micro enterprises and small enterprises	20	46.47	53.26
b) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	20	161.82	145.11
iii) Other financial liabilities	21	1,132.41	1,066.18
b) Other current liabilities	22	1,443.76	1,221.37
c) Provisions	23	111.53	101.76
Total Current Liabilites		**12,677.76**	**10,800.74**
Total Equity and Liabilities		**20,664.22**	**17,960.53**

Material accounting policies in Note No 1.

The accompanying notes are an integral part of financial information

For NSVR AND ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 008801S/S200060

Sd/-
R Srinivasu
Partner
M No:224033
UDIN: 24224033BKCRDJ3744

Date: 09 May 2024
Place:Hyderabad

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

Sd/-
Srikanth Kodali
Managing Director
DIN:02464623

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
Kanti Kiran Doddapaneni
Director
DIN:07420023

Sd/-
Triveni Banda
Company Secretary
M.No: A68042

Statement of Profit and Loss account for the year Ended 31 March 2024

(All amount are in Lakhs unless otherwise specified)

Particulars	Notes	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Income			
Revenue from operations	24	52,008.06	39,896.37
Other income	25	124.85	207.31
Total Income		**52,132.91**	**40,103.68**
Expenses			
Cost of materials consumed	26	891.03	793.91
Employee benefits expense	27	47,798.57	36,935.49
Finance costs	28	1,059.79	905.52
Depreciation and amortization expense	29	361.71	430.40
Other expenses	30	1,029.33	803.49
Total Expenses		**51,140.43**	**39,868.81**
Profit before tax and exceptional items		**992.49**	**234.87**
Exceptional items			
Profit before tax		**992.49**	**234.87**
Tax expense			
(1) Current tax			
(2) Deferred tax		(264.58)	(272.16)
Net Profit for the Period		**1,257.07**	**507.03**
Other comprehensive income (OCI)			
(a) (i) Items that will not be reclassified to profit or loss		45.82	6.44
(ii) Tax on items that will not be reclassified to profit or loss		(11.53)	(1.62)
(b) (i) Items that will be reclassified to profit or loss			
(ii) Tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive income		**34.29**	**4.82**
Total Comprehensive income		**1,291.36**	**511.85**
Earnings per share			
Basic earnings per share of Rs.10/-each		12.39	5.00
Diluted earnings per share of Rs.10/- each		12.39	5.00
Weighted average equity shares used in Computing Earnings per			
Equity shares			
Basic		1,01,44,061	1,01,44,061
Diluted		1,01,44,061	1,01,44,061

Material accounting policies in Note No 1
The accompanying notes are an integral part of financial information

For NSVR AND ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 008801S/S200060

Sd/-
R Srinivasu
Partner
M No:224033
UDIN: 24224033BKCRDJ3744

Date: 09 May 2024
Place: Hyderabad

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

Sd/-
Srikanth Kodali
Managing Director
DIN:02464623

Sd/-
Kanti Kiran Doddapaneni
Director
DIN:07420023

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
Triveni Banda
Company Secretary
M.No: A68042

Cash flow statement for the Year Ended 31 March 2024

(All Amount are in Lakhs unless otherwise specified)

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
A. CASH FLOWS FROM OPERATING		
ACTIVITIES:		
Net profit before tax	992.49	234.87
Adjusted for :		
Interest debited to P&L A/c	1,035.68	861.49
Interest on Lease Liabilities	24.10	44.02
Gain on termination of Lease	-	(14.16)
Gratuity Provision	213.42	150.79
Depreciation	361.71	430.40
Operating profits before working capital changes	**2,627.40**	**1,707.42**
Changes in Assets and Liabilities		
Increase/(Decrease) in Inventories	(14.36)	(129.75)
Increase/(Decrease) in Trade Receivables	(2,226.33)	(1,210.30)
Increase/(Decrease) in Other current financial Assets	(481.87)	(308.44)
Increase/(Decrease) in Other Non current financial Assets	(29.08)	24.70
Increase/(Decrease) in Other current Assets	924.12	338.74
Increase/(Decrease) in Trade Payables	9.92	(90.88)
Increase/(Decrease) in Other Financial Liabilities	42.97	72.80
Increase/(Decrease) in Other Current Liabilities	223.01	270.72
Increase/(Decrease) in Long term and short term provisions	(50.49)	(0.64)
Cash generated from operations	**1,025.29**	**674.36**
Income tax paid	(571.90)	(524.33)
Net cash generated from operating activities	**453.39**	**150.04**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(171.01)	(128.65)
Proceeds from Sale of Property, Plant and Equipment	-	6.14
Increase/(Decrease) in Other Bank Balances	(62.30)	(43.34)
Net cash utilised in investing activities	**(233.31)**	**(165.85)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Long Term Borrowings	(518.23)	(293.10)
Proceeds/(Repayment) of short Term Borrowings	1,515.18	1,341.71
Interest paid	(1,012.43)	(861.49)
Repayment of Lease Liabilities (Including interest)	(176.05)	(250.46)
Net cash utilised in financing activities	**(191.53)**	**(63.35)**
D. Net increase / (decrease) in cash and cash equivalents	28.55	(79.15)
E. Cash and cash equivalents at the beginning of the year	26.90	106.06
F. Cash and cash equivalents at the end of the year	**55.45**	**26.90**

Notes:

1) Cash and Cash equivalents includes:

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Cash on hand	20.28	17.82
Current accounts	35.17	9.08
Total	**55.45**	**26.90**

a) The above cash flow statements has been prepared under the "Indirect Method"as set out in the Indian Accounting standard (INDAS -7) Statement of cash flows

For NSVR AND ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 008801S/S200060

Sd/-
R Srinivasu
Partner
M No:224033
UDIN: 24224033BKCRDJ3744

Date: 09 May 2024
Place: Hyderabad

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

Sd/-
Srikanth Kodali
Managing Director
DIN:02464623

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
Kanti Kiran Doddapaneni
Director
DIN:07420023

Sd/-
Triveni Banda
Company Secretary
M.No: A68042

1. NOTES TO FINANCIAL STATEMENTS

Description of The Company and Material Accounting Policies

1.1 Corporate information

KAPSTON SERVICES LIMITED ("the Company") (CIN: L15400TG2009PLC062658) is engaged in the business of rendering security and related services, training and facility management, Housekeeping and cleaning services and IT staffing services. The company has registered office at Hyderabad and provides services in major cities all over India.

The financial statements were authorized by the directors on 09 May 2024.

Material accounting policies

This note provides a list of Material accounting policies adopted in the preparation of these financial statements.

1.2 Basis of preparation and presentation of Financial Statements

The financial statements of **Kapston Services Limited** have been prepared and presented in accordance with and in compliance in all material aspects, with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2023.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2024. These financial statements for the year ended 31 March 2024 were approved by the Company's Board of Directors on 09 May 2024.

1.3 Basis of Measurement

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

a. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

b. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation and

c. Long-term borrowings are measured at amortized cost using the effective interest rate method.

d. Right of use assets are recognized at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred if any.

1.4 Functional and presentation currency

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

1.5 Use of estimates and judgments.

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

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

Judgements

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

- Note 1.19- lease classification.

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

Assumptions and estimation uncertainties

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

- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;

- Note 1.10 - determining an asset's expected useful life and the expected residual value at the end of its life

1.6 Measurement of fair values

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

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

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

'- Note 39 - Financial instruments

1.7 Current and non-current classification

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

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

a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realized within twelve months after the reporting date; or

d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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

a. It is expected to be settled in the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is due to be settled within twelve months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

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

1.8 Operating Cycle

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

Summary of material accounting policies

On 31 March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards)

Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1 April 2023, i.e., Financial Year 2023-24. One of the major changes is in Ind AS 1 'Preparation of Financial Statements, which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to disclose 'significant accounting policies'. The word 'significant' is substituted by 'material'.

Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements.

The Company applied the guidance available under paragraph 117B of Ind AS 1, Presentation of Financial Statements in evaluating the material nature of the accounting policies.

The following are the material accounting policies for the Company:

1.9 Foreign Currency Transaction

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

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

1.10 Property Plant & Equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and costs directly attributable towards bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

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

Depreciation:

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

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

1.11 Intangible assets

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a written down value basis over the estimated useful lives of intangible assets Intangible assets that are not available for use are amortized from the date they are available for use.

1.12 Financial Instruments

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

a. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the Purpose of Subsequent measurement, financial assets are classified in four categories.

- Debt Instrument at amortized cost
- Debt Instrument at FVTOCI
- Debt instruments, Derivatives and Equity instruments at FVTPL and
- Equity Instruments measured at FVTOCI.

Debt instruments at amortised cost

A "debt instrument" is measured at the amortised cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method and are subject to impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit and loss and presented in other income. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables

Debt instrument at FVTOCI

A "debt instrument" is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned while holding a FVTOCI debt instrument is reported as interest income using the effective interest rate method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as an "accounting mismatch").

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments

which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, on sale the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investments in subsidiaries and joint venture:

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

Derecognition

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

(i) The rights to receive cash flows from the asset have expired, or

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

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

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial Liabilities at Fair value through Profit and Loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk are recognised in OCI. These gains or losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Subsequent measurement

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

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

Offsetting:

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

1.12 Inventories

Inventories (raw materials, consumables and stores and spares) are valued at lower of cost and net realisable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell

1.13 Impairment of non-financial assets

'The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

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

1.14 Cash & Cash Equivalents

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

1.15 Employee Benefits

a. Short term employee benefits

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

b. Defined Contribution Plan

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

c. Defined Benefit Plans

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

d. Termination benefits

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

e. Other long-term employee benefits

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

1.16 Provisions, contingent liabilities and contingent assets

a. Provisions

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

b. Contingent liabilities

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

c. Contingent assets

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

1.17 Revenue Recognition

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

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

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

Revenue is recognized as follows:

(i) Revenue from services represents the amounts receivable for services rendered.

(ii) For non-contract-based business, revenue represents the value of goods delivered or services performed.

(iii) For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognized in the period in which the service is rendered.

(iv) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.

(v) Unearned revenue (contract liabilities) represents revenue billed but for which services have not yet been performed and is included under Advances from customers. The same is released to the statement of profit and loss as and when the services are rendered.

a. Rendering of Services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements

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

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

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

Interest income

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

b. Other Income

(i) Miscellaneous Income

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

1.18 Borrowing Costs

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

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

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

1.19 Leases

Company as a lessee

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

(i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company

(ii) the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

(iii)The Company has the right to direct the use of the identified asset throughout the period of use. the Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

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

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

Ind AS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances

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

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

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

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

1.20 Tax Expenses

Tax expense consists of current and deferred tax.

a. Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after

considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

b. Deferred Tax

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

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

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

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

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

1.21 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.22 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

Contingent assets

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

1.23 Cash flow Statements

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

1.24 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 “Revenue from Contracts with Customers”.

1.25 Determination of fair values

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

a. **Property, plant and equipment**

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

b. **Intangible assets**

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

c. **Inventories**

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

d. Derivatives

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

e. Non-derivative financial liabilities

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

1.26 New standards adopted by the company

Ind AS 1 – Presentation of Restated financial information

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statement.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and

decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in Restated financial information to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its standalone financial statements.

Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

For NSVR & Associates LLP.,
Chartered Accountants
Firm Reg. No.008801S/S200060

Sd/-
R. Srinivasu
Partner
Membership No.224033
UDIN: 24224033BKCRDJ3744

Date:09 May 2024
Place: Hyderabad

KAPSTON SERVICES LIMITED

Sd/-
Srikanth Kodali
Managing Director
DIN: 02464623

Sd/-
Kapil Sood
Chief Financial officer

Sd/-
Kanti Kiran Doddapaneni
Director
DIN: 07420023

Sd/-
Triveni Banda
Company Secretary
M.No. A68042

Note - 2 -Property,Plant and Equipment

All Amounts are in Lakhs Unless Other wise Specified

Description	Office Equipments	Computers	Mobiles	Furniture and Fixtures	Printers	Inverters	Plant and Machinery	Vehicles	Live stock	Lease Hold Improvements	Total
Gross carrying amount											
Cost as at 01 April 2023	325.49	154.91	78.31	317.31	7.44	12.21	7.36	688.05	1.43	533.13	2,125.63
Additions	11.64	25.40	20.47	0.69	1.72	0.00	47.76	63.34	-	-	171.01
Disposals	-	-	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2024	**337.13**	**180.30**	**98.78**	**318.00**	**9.16**	**12.21**	**55.12**	**751.39**	**1.43**	**533.13**	**2,296.64**
Accumulated Depreciation	253.29	133.10	47.15	175.08	6.34	7.90	3.67	591.71	1.12	385.32	1,604.68
Charge for the year	33.53	18.33	19.48	36.76	1.11	1.79	21.27	35.20	0.12	67.08	234.67
Disposals	-	-	-	-	-	-	-	-	-	-	0.00
As at 31 March 2024	**286.82**	**151.43**	**66.63**	**211.84**	**7.45**	**9.68**	**24.94**	**626.91**	**1.24**	**452.40**	**1,839.34**
Net Carrying Value											
As at 31 March 2023	**72.20**	**21.81**	**31.15**	**142.23**	**1.10**	**4.31**	**3.70**	**96.34**	**0.31**	**147.80**	**520.95**
As at 31 March 2024	**50.31**	**28.87**	**32.15**	**106.16**	**1.71**	**2.52**	**30.18**	**124.48**	**0.19**	**80.73**	**457.29**

Note No 3- Right of Use Asset

Description	Buildings
Gross carrying amount	
Cost as at 01 April 2023	555.93
Additions	151.68
Deletions	-
Cost as at 31 March 2024	**707.61**
Accumulated Depreciation	396.27
Charge for the year	127.04
Deletions	-
As at 31 March 2024	**523.30**
Net Carrying Value	
As at 31 March 2023	**159.66**
As at 31 March 2024	**184.30**

Note No 4- Investment Property

Description	Land
Gross carrying amount	
Cost as at 01 April 2023	1,138.29
Additions	-
Disposals	-
Cost as at 31 March 2024	**1,138.29**
Accumulated Depreciation	-
Charge for the year	-
Disposals	-
As at 31 March 2024	-
Net Carrying Value	
As at 31 March 2023	**1,138.29**
As at 31 March 2024	**1,138.29**

Note No.5 Other Financial Assets

Particulars	As at 31st March 2024	As at 31st March 2023
Deposits against Bank Guarantee	137.79	117.56
Interest Accrued on Deposits against Bank Guarantee	24.96	16.11
Total	**162.75**	**133.67**

Note No.6 Deferred Tax Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Tax Asset on 80JJAA	679.59	454.89
Deferred Tax Asset on Property, plant& equipment	168.15	153.10
Deferred Tax Asset on Right of Use Assets	5.43	11.70
Deferred Tax Asset on Gratuity	114.38	94.82
Deferred Tax Asset on Others	0.16	0.16
Total	**967.71**	**714.66**

Note No.7 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Closing Stock	504.34	489.98
Total	**504.34**	**489.98**

Note No.8 Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, Considered Good		
Trade Receivable	12,750.05	10,498.70
Expected Credit Loss	(72.70)	(47.68)
Total	**12,677.35**	**10,451.02**

Note: Trade Receivables are non interest bearing.

Particulars	Trade Receivables Outstanding as at 31 March 2024						
	Not Due	Less than 6 months	6 Months 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i)Undisputed Trade receivables -considered good	5,737.66	6,535.00	179.44	55.80	-	51.23	12,559.13
(ii)Undisputed Trade Receivables- which have signifiant increase in Credit risk	-	-	-	-	-		-
(iii)Undisputed Trade Receivables-Credit impaired	-	-	-	-	-		-
(iv)Disputed Trade Receivables-Considered good	-	-	-	-	-	190.92	190.92
(v) Disputed Trade Receivables- which have signifiant increase in Credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables-Credit impaired	-	-	-	-	-	- 72.70	-72.70
Total	**5,737.66**	**6,535.00**	**179.44**	**55.80**	**-**	**169.45**	**12,677.35**

Particulars	Trade Receivables Outstanding as at 31 March 2023						
	Not Due	Less than 6 months	6 Months 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i)Undisputed Trade receivables -considered good	3,535.11	6,721.45	-	-	-	51.23	10,307.79
(ii)Undisputed Trade Receivables- which have signifiant increase in Credit risk	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
(iv)Disputed Trade Receivables-Considered good	-	-	-	-	29.46	161.46	190.92
(v) Disputed Trade Receivables- which have signifiant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-Credit impaired	-	-	-	-	-	(47.68)	(47.68)
Total	**3,535.11**	**6,721.45**	-	-	**29.46**	**165.01**	**10,451.02**

Note No.9 Cash and Cash Equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	20.28	17.82
Balances with banks in		
Current accounts	35.17	9.08
Total	**55.45**	**26.90**

Note No.10 Bank Balance other than (ii) above

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed Deposits in Banks	560.50	546.23
Interest Receivable on Fixed Deposit	76.21	28.18
Total	**636.71**	**574.41**

Note No.11 Other Financial Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Rental and other deposits	623.28	234.08
Receivables for training projects	1,177.62	1,084.94
Total	**1,800.90**	**1,319.02**

Note No. 12 Other Current Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to Employees	1,218.81	1,090.48
Advance to Suppliers	26.61	26.29
Balances with Govt Authorities - TDS Receivable	658.04	1,098.68
Prepaid Expenses	175.68	206.84
TDS Recoverable On Financial Charges	-	-
Other Advances	0.00	9.06
Total	**2,079.14**	**2,431.36**

Note No.13

a. Equity Share Capital

All amounts are in Lakhs except share data or as otherwise stated

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	Number	Amount (Rs.)
Authorised				
11,50,00,00 Equity Shares of Rs.10 each	1,15,00,000	1,150.00	1,15,00,000	1,150.00
Total	1,15,00,000	1,150.00	1,15,00,000	**1,150.00**
Issued,Subscribed & Paid Up				
1,01,44,061 Equity Shares of Rs.10 each	1,01,44,061	1,014.41	1,01,44,061	1,014.41
Total	1,01,44,061	1,014.41	1,01,44,061	**1,014.41**

b.Reconciliation of number of Shares

Equity Shares:	As at 31 March 2024	As at 31 March 2023
Shares outstanding at the beginning of the year	1,01,44,061	1,01,44,061
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
Balance outstanding at the end of the year	**1,01,44,061**	**1,01,44,061**

Terms / Rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs.10 per share.

Each holder of the equity share is entitled to one vote per share.

c. Details of promoter Holding

Shares held by Promoters at the end of the Year	As at 31 March 2024		As at 31 March 2023	
Promoter Name	No. of Shares held	% of total shares	No. of Shares held	No. of Shares held
Srikanth Kodali	72,03,693	71.01%	72,03,693	71.01%
Kanti Kiran Doddapaneni	1,88,002	1.85%	1,88,002	1.85%

Details of share held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Share holder	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	No. of Shares held	No. of Shares held	No. of Shares held
Srikanth Kodali	72,03,693	71.01%	72,03,693	71.01%
Chereddi Ramachandra Naidu	6,41,200	6.32%	6,41,200	6.32%

Note No 14.Other equity

Particulars	Securities Premium Reserve	Retained Earnings	Actural gain/Loss on account of Defined benefit plans	TOTAL
Balance as at 31 March 2021	755.81	3,260.82	59.07	4,075.70
Profit for the Period 01 Arpil 2021 to 31 March 2022	-	247.34	-	247.34
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit (Rs 5.70 Lakhs)	-	-	16.94	16.94
Balance as at 31 March 2022	755.81	3,508.16	76.01	4,339.98
Profit for the Period 01 April 2022 to 31 March 2023	-	507.03	-	507.03
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit (Rs.1.62 Lakhs)	-	-	4.82	4.82
Balance as at 31 March 2023	755.81	4,015.19	80.83	4,851.83
Profit for the Period 01 April 2023 to 31 March 2024	-	1,257.07	-	1,257.07
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit (Rs 11.53 Lakhs)	-	-	34.29	34.29
Balance as at 31 March 2024	755.81	5,272.25	115.12	6,143.18

Note No 15 Long term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
a)Loans from Banks & Financial Institutions		
Secured*	52.61	132.88
Unsecured**	307.86	745.82
Total	**360.47**	**878.70**

Note No 16 Lease Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease Liabilities	79.66	133.45
Total	**79.66**	**133.45**

Note No 17 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Gratuity	388.73	281.40
Total	**388.73**	**281.40**

Note No.18 Short - term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
a) Borrowings from Banks & Financial Institutions Secured*	9,214.69	7,678.11
b) Loans and advances from related Parties Unsecured		
c) Current maturities of Long term Borrowings	440.87	462.27
Total	**9,655.56**	**8,140.38**

Out of the above secured borrowings (a) Rs 2508.17 Lakhs (Previous year Rs 2407.14 Lakhs) were obtained from Axis Bank Limited (b) Rs 375.42 Lakhs (Previous year Rs 921.37 Lakhs) were obtained from Bandhan Bank (c) Rs 2932.24 Lakhs (Previous year Rs 2352.57 Lakhs) obtained from HDFC bank Limited (d) Rs 1766.42 Lakhs (Previous year Rs 1997.03 lakhs) obtained from ICICI Bank Limited (e)Rs 1632.44 Lakhs obtained from IndusInd Bank Limited.

a) Primary security

i.The loan from all the lenders are ranked with pari passu, by primarily secured by hypothecation of all the current assets of the company including inventory and book debts less than 90 days.

b) Colletral security

For Axis Bank, Indus Ind and HDFC Bank Limited:

i.Existing fixed deposits with pari passu charge ii. Residential Plot Survey No 51 (Area 174241.6 sq ft) at Maheswaram Mandal , Nacharam Village , Near Bus stop , Telangana Pin -501218 owned by Kapston services Limited to Axis

For Bandhan Bank

i.Existing fixed deposits with pari passu charge

For ICICI Bank Limited

i. Exclusive Collateral charge for ICICI Bank on Plot No 16 sy No 319,320,321 ,322 Gandipet, Puppalaguda, Myscape courtyard, Hyderabad, Telangana , India -500032 owned by Mr.Srikanth Kodali (Managing director of Kapston services Limited).

c) Personal Guarantee's

i.Mr Srikanth Kodali

ii.Mrs Kanti Kiran Doddapaneni

Note No. 19 Lease Liabilites

Particulars	As at 31 March 2024	As at 31 March 2023
Current maturities of Lease Liabilities	126.21	72.68
Total	**126.21**	**72.68**

Note No.20 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding dues to micro enterprises and small enterprises	46.47	53.26
Outstanding dues to creditors other than micro enterprises and small enterprises	161.82	145.11
Total	**208.29**	**198.37**

	Trade Payables Outstanding as at 31 March 2024					
Particulars	**Not Due**	**Less than 1 Year**	**1-2 years**	**2 -3 years**	**More than 3 years**	**Total**
(i) MSME	46.47	-	-	-	-	46.47
(ii) Others	137.38	24.44	-	-	-	161.82
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	**183.85**	**24.44**	**-**	**-**	**-**	**208.29**

	Trade Payables Outstanding as at 31 March 2023					
Particulars	**Not Due**	**Less than 1 Year**	**1-2 years**	**2 -3 years**	**More than 3 years**	**Total**
(i) MSME	53.26	-	-	-	-	53.26
(ii) Others	94.87	**50.24**	-	-	-	145.11
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	**148.13**	**50.24**	**-**	**-**	**-**	**198.37**

Note No. 21 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Rent payable	19.46	14.96
Expenses Payable	53.58	43.69
Audit fee Payable	13.50	13.50
Expenses payable of projects	4.23	4.60
Salaries Payable	177.39	134.12
Wages Payable	841.00	824.36
Interest Accured on Bank borrowings	23.25	30.95
Total	**1,132.41**	**1,066.18**

Note No.22 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	1443.76	1221.37
Advance Received for Training Projects	-	
Total	**1,443.76**	**1,221.37**

Note No.23 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Gratuity	111.53	101.76
Total	**111.53**	**101.76**

Note: 24 Revenue from operations

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Sale of services		
(a) House Keeping	13,286.53	11,866.09
(b) Security Service Charges	18,083.83	15,889.78
(c) Contract Staffing Income	19,402.34	11,823.20
(d) Grants Received from Ministry of Rural Development and Government of India for DDU -GKY skill Projects	92.67	211.20
(e) Unbilled Revenue	1,142.70	106.11
Total	**52,008.06**	**39,896.37**

Note: 25 Other Income

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest Received	51.61	40.85
Interest on Income tax Refund	68.94	34.52
Misc Income	-	0.00
Profit on Sale of Fixed Assets	-	0.00
Income from NAPS programme	-	107.08
Gain on Termination of Leases	-	14.16
Grant Deferred Income	4.30	10.70
Total	**124.85**	**207.31**

Note: 26 Cost of Materials consumed

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Opening Stock	489.98	360.23
Purchases	905.39	923.66
Closing Stock	504.34	489.98
Cost of Materials consumed	**891.03**	**793.91**

Note: 27 Employee Benefits

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Wages	41,580.37	31,630.83
Expenses for Ministry of Rural Development and Government of India for DDU - GKY skill Projects	92.67	211.20
Salaries	1,860.88	1,625.09
Directors Remuneration	120.00	120.00
Other Employee Benefits	4,138.65	3,342.87
Director's Sitting Fees	6.00	5.50
Total	**47,798.57**	**36,935.49**

Note: 28 Finance cost

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest on Vehicle loans and other Term loans	100.99	139.10
Interest on Bank O/D	895.94	697.59
Bank Charges	38.76	24.80
Interset On lease	24.10	44.02
Total	**1,059.79**	**905.52**

Note: 29 Depreciation and Amortization

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Depreciation of Property,Plant and Equipment	234.67	272.13
Depreciation of Right of use assets	127.04	158.27
Total	**361.71**	**430.40**

Note: 30 Other Expenses

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Advertisement Charges	11.83	7.96
Professional Fees	21.46	15.40
Internal Audit Fees	2.00	2.00
Business Promotion Expenses	5.23	7.96
Consultancy Charges	110.92	109.04
Conveyance	49.02	43.69
Electricity Charges	29.97	27.18
Donation	32.22	10.26
CSR Expenses	6.65	14.10
Insurance	187.61	136.71
Rates and Taxes	30.49	87.65
Office Maintenance	52.61	48.84
Postage and Telegram	1.97	1.71
Printing and Stationery	47.84	24.86

Rent	122.95	57.31
Internet Charges	3.12	2.80
Telephone Charges	19.76	20.89
Travelling Expenses	74.53	46.52
Computer Maintenance	6.62	8.28
Vehicle Maintenance	59.22	31.96
NSDC Expenditure	8.63	28.20
NAPS Expenditure	16.81	0.00
Kennels (Dog Trainning Exp)	-	0.56
Recuritment expenses	8.44	14.90
Annual Maintenance Charges	4.02	4.14
Software Expenses	39.68	13.60
Expected Credit Loss	25.02	0.00
Tender Expenses	19.87	1.21
Other expenses	17.84	22.74
Audit Fees		
Staututory Audit	10.00	10.00
Tax Audit	3.00	3.00
Total	**1,029.33**	**803.49**

31. Changes in liabilities arising from financing activities.

For the year ended 31 March 2024

Particulars	Current Borrowings	Non -current Borrowings	Lease liabilities
As at 01 April 2023	**7,678.11**	**1,340.97**	**206.13**
Borrowings made during the year	1,536.58	54.00	
Borrowings repaid during the year	-	(593.64)	
Recognition/termination of Lease Liability during the year	-	-	151.6 9
Accretion of Interest	-	-	24.10
Payment of lease liability including interest	-	-	(176.05)
As at 31 March 2024	**9214.69**	**801.33**	**205.8 7**

For the year ended 31 March 2023

Particulars	Current Borrowings	Non -current Borrowings	Lease liabilities
As at 01 April 2022	**6,347.19**	**1,623.28**	**500.62**
Borrowings made during the year	1,330.92	167.00	-
Borrowings repaid during the year	-	(449.31)	-
Recognition/termination of Lease liability during the year	-	-	-
Accretion of Interest	-	-	-
Payment of lease liability including interest	-	-	(294.49)
As at 31 March 2023	**7,678.11**	**1,340.97**	**206.13**

32. Earnings per Share

Basic EPS amounts are computed by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) attributable to equity holders by the weighted average number of equityshares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Earnings		
Profit attributable to equity holders	1257.07	507.03
Shares		
Number of shares at the beginning of the year	1,01,44,061	1,01,44,061
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	**1,01,44,061**	**1,01,44,061**
Weighted average number of equity shares outstanding during the year – Basic (Nos)*	**1,01,44,061**	**1,01,44,061**
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted (Nos)*	**1,01,44,061**	**1,01,44,061**
Earnings per share of par value ` 10/ - Basic	**12.39**	**5.00**
Earnings per share of par value ` 10/ - Diluted	**12.39**	**5.00**

*For Earning Per Share Computation, shares in (Nos) were considered for Weighted average number of shares.

33. Auditor Remuneration

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Audit Fees	10.00	10.00
Tax Audit	3.00	3.00
Taxation Matters	-	-
Other services	-	-
Total *	**13.00**	**13.00**

* Excluding Taxes

34. Related Party Transaction

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, Key Managerial Personnel defined as per Sec 2(51) of the Companies Act 2013 are considered as related parties of the company.

(a) List of Related parties of the Company is as below:

Names of related parties	Nature of Relationship
Dr.Chereddi Ramachandra Naidu	Chairman
Mr.Srikanth Kodali	Managing director
Mr.Naveen Nadigam	Independent director
Ms. Vanitha Nagulavari	Independent director
Mr.Nageswara Rao Koripalli	Independent director
Ms.Doddapaneni Kanti Kiran	Non-Executive director
Mr.Kapil Sood	Chief Financial officer
Ms.Kalluru Manaswini	Company Secretary (Resigned W.e.f 07.12.2023)
Ms.Triveni Banda	Company Secretary (Appointed W.e.f15.12.2023)

(b) Transactions during the year

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Remuneration		
Mr.Chereddi Ramachandra Naidu	15.00	15.00
Mr.Srikanth Kodali	120.00	120.00
Mr.Kapil Sood	44.33	39.65
Ms.Kalluru Manaswini	6.54	7.80
Ms.Triveni Banda	2.66	-
Sitting fee		
Mr.Naveen Nandigam	2.00	2.00
Ms.Vanitha Nagulavari	2.00	1.50
Mr.Nageswara Rao Koripalli	2.00	2.00
Professional charges for advisory services		
Mr.Nageswara Rao Koripalli	-	-

(c) Balance Outstanding at	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Remuneration		
Mr.Srikanth Kodali	6.73	6.73
Mr.Chereddi Ramachandra Naidu	1.04	1.04
Mr.Kapil Sood	2.67	1.86
Ms.Kalluru Manaswini	-	0.63
Ms.Triveni Banda	0.66	-

35. Segment Reporting

The Company concluded that there is only one operating segment i.e., Facility Management & staffing services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

36. Details of Employee Benefits

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Wages	41,580.37	31,630.83
Salaries	1,860.88	1,625.09
Director remuneration	120.00	120.00
Other employee benefits	4,138.65	3,342.87
Expenses for Ministry of Rural Development and Government of India for DDU - GKY skill Projects	92.67	211.20
Total	**47,792.57**	**36,929.99**

Notes:

(i) The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.

(ii) The Company operates defined benefit plan ie., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

Gratuity and other Post employment benefits

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

(a) Change in Present Value of Defined Benefit Obligation - (Gratuity)

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Defined Benefit obligation at the beginning	383.16	239.45
Interest cost	26.88	16.89
Adjustment	-	-
Current service cost	186.54	133.26
Benefits Paid	-50.50	-0.60
Actuarial/losses on obligation	-45.82	-5.84
Obligation at the end of the year	**500.26**	**383.16**

(b)Amount recognised in Profit and Loss account and other comprehensive income recognised for defined benefit contribution Plan

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Current Service Cost	186.54	133.26
Past Service cost	-	-
Gain/(Loss) on settlements	-	-
Reimbursement of service cost	-	-
Total Service cost	**186.54**	**133.26**
Interest expense on DBO	26.88	16.89
Interest (income) on Plan assets	-	-
Interest (income) on Reimbursement rights	-	-
Interest expense on Asset ceiling /Onerous Liability	-	-
Total Net Interest cost	**26.88**	**16.89**
Reimbursements of Other Long-term benefits	-	-
Defined benefit cost Included in P&L	**213.42**	**150.83**
Remeasurements -Due to Demographic assumptions		
Remeasurements -Due to Financial assumptions	3.92	-0.60
Remeasurements -Due to Experience adjustments	-49.74	-5.84
(Return) on Plan assets (Excluding interest income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset ceiling /Onerous Liability	-	-
Total Remeasurements in OCI	**-45.82**	**-6.64**
Total Defined Benefit Recognised in P&L and OCI	**167.60**	**143.16**

(c) Amount recognised in the statement of Financial Position

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Defined Benefit Obligation	500.26	383.16
Fair value of plan assets	-	-
Net asset/(Liability) recognised in Balance sheet	**500.26**	**383.16**

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

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Discount rate	7.22%	7.51%
Retirement age	58	58
Future salary increases	5.00%	5.00%

37. Income taxes

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

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Current Tax Expense	-	-
Deferred tax Expense		
Deferred tax Expense Benefit	-264.58	-272.16
Total income tax Expense/(Benefit) recognised	**-264.58**	**-272.16**

Income tax Expense/(Benefit) recognised in the Statement of other comprehensive income.

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Tax Effect on remeasurement of defined benefit Plans	11.53	1.62
Total income tax Expense/(Benefit) recognised	**11.53**	**1.62**

:

Reconciliation of Effective Tax Rate

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Profit Before Income tax	992.49	234.87
Enacted tax Rate in India	**25.17%**	**25.17%**
Computed Expected Tax Expense/(Benefit)	249.81	59.12
Tax Effect on		
Expense Not deductible for tax Purpose	164.53	214.46
Expense deductible for tax Purpose	101.17	99.40
Other deductions	426.98	314.60
Income tax Expense/(Benefit)	-113.80	-140.42
Effective tax rate	**-**	**-**

Deferred tax (Asset)/Liabilities(Net)

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Deferred tax asset on 80JJAA	679.59	454.89
Deferred tax asset on Property, Plant and Equipment	168.15	153.10
Deferred tax Assets on Right of Use assets	5.43	11.70
Deferred tax asset on Employee benefit obligations	114.38	94.82
Deferred tax asset on others	0.16	0.16
Net Deferred Tax Asset	**967.71**	**714.66**

38. Contingent Liabilities

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
Claims against the Company/Disputed Liabilities not acknowledged as debts	-	-
Bank Guarantee	532.89	117.56
Total	**532.89**	**117.56**

39. Financial Instruments

The Carrying value and fair value of financial instruments as at 31 March 2024 and 31 March 2023 were as follows:

Particulars	As at31 March 2024		As at31 March 2023	
	Carrying value	Fair value/Amortised cost	Carrying value	Fair value/amortised cost
Trade Receivables	12,677.35	12,677.35	10,451.02	10,451.02
Loans and advances	-	-	-	-
Cash and cash equivalents	55.45	55.45	26.90	26.90
Other Bank balances	636.71	636.71	574.41	574.41
Other Financial Assets	1,963.65	1,963.65	1,452.69	1,452.69
Total	**15,333.16**	**15,333.16**	**12,505.02**	**12,505.02**
Borrowings	10,016.03	10,016.03	9,019.08	9,019.08
Trade payables	208.29	208.29	198.37	198.37
Lease Liabilities	205.87	205.87	206.13	206.13
Other financial liabilities	1,132.41	1,132.41	1,066.18	1,066.18
Total	**11,562.60**	**11,562.60**	**10,489.76**	**10,489.76**

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs For the assets or liabilities that are not based on observable market data (unobservable inputs).

40. Financial risk management objectives and policies

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

A) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and advances and financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 15,333.16 Lakhs and 12,505.02 Lakhs as at 31 March 2024 and 31 March 2023 respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets.

a. Trade Receivables

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

The total Trade Receivable as on 31 March 2024 is Rs 12,677.35 Lakhs and Rs 10,451.02 lakhs as on 31 March 2023.

Particulars	As at 31 March 2024	As at 31 March 2023
Neither Past Due nor Impaired	5,737.66	3,535.11
Past Due but no Impaired		
Less than 365 days	6714.44	6,721.45
More than 365 days	225.25	194.46
Credit Impaired	72.70	47.68
Less: Allowance for credit Losses	-72.70	-47.68
Total	**12,677.35**	**10,451.02**

None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31March 2024.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31 March 2024 and 31 March 2023 are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	**47.68**	**53.40**
Impairment of Trade receivables	25.02	-5.72
Balance at the end of the year	**72.70**	**47.68**

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given in Note No 8. The age analysis has been considered from the due date.

B)Liquidity Risks

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

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

Particulars	As at 31 March 2024	As at31 March 2023
Company's Long-term debt	801.34	878.70
Company long term debt that will mature in less than one year from the reporting period	440.87	462.27
	55.01%	**52.61%**

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

Particulars	Carrying Value	On Demand	1 to 5 years	> 5 years
As at 31 March 2024				
Long term borrowings	801.33	440.8	360.47	-
Other financial liabilities	1,132.41	1,132.41	-	-
Trade payables	208.29	208.29	-	-
Lease Liabilities	205.87	126.21	79.66	-
Short term borrowings	9214.69	9214.69	-	-
As at 31 March 2023				
Long term borrowings	1,340.97	462.27	878.70	-
Other financial liabilities	1,066.18	1,066.18	-	-
Trade payables	198.37	198.37	-	-
Lease Liabilities	206.13	72.68	133.45	-
Short term borrowings	7,678.11	7,678.11	-	-

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

C) Market Risks

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

D) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Expenditure in Foreign Currency is as follows

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
FOB value of Imports	-	-
Professional Fees	-	-
Other Expenses	-	-
Total	**-**	**-**

Earnings in Foreign Exchange

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
FOB value of Exports	-	-
Professional Fees	-	-
Dividend Income	-	-
Total	**-**	**-**

41.Capital Management

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

Particulars	As at 31 March 2024	As at 31 March 2023
Total Debt	10,016.03	9,019.08
Total Equity	7,157.60	5,866.24
Debt to Equity Ratio	**1.40:1**	**1.54:1**

42.Corporate Social responsibility expenses

The CSR expenditure comprise of the following

a. Gross Expenditure required to be spent during the financial year 2023-24 is Rs.7.65 lakhs and Rs 13.11lakhs of Previous Financial Year 2022-23.

b. Amount spent during the year is given below

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Preventing Health care including preventive health care	-	-
Slum Area Development-Development of roads in slum areas	-	-

Rural area development	-	2.50
Eradicating hunger, poverty and malnutrition, promoting education, including special education and employment enhancing vocation skills	7.65	11.00
Kasturba Gandhi National memorial trust	-	0.60
Total amount spent	**7.65**	**14.10**

43. Micro Small and Medium Enterprises disclosure

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

Particulars	For the Period Ended 31 March 2024	For the Period Ended 31 March 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	46.27	53.56
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest Dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
		-
Total	**46.27**	**53.56**

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

44. Leases

The Company take lease contracts for buildings. The leases generally have lease terms between 3-5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There lease contracts that include extension and termination options, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer Note 3 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year.

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
At the beginning of the year	**206.13**	**500.62**
Additions	151.68	-
Leases terminated		-
Accretion of interest	24.10	-
Payments Including Interest	176.05	294.49
At the end of the year	**205.86**	**206.13**
Current	**126.21**	**72.68**
Non-current	**79.65**	**133.45**

The maturity analysis of lease liabilities is disclosed in Note 40. The following are the amounts recognized in the statement of profit or loss:

The Company had total cash outflows for leases of Rs 176.05Lakhs.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in

determining whether these extension and termination options are reasonably certain to be exercised. The effective interest rate for lease liabilities is 11%, with maturity between 2024-25.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expense relating to leases of low-value assets	**57.42**	**57.31**
Expense relating to short-term leases	**65.53**	**-**
Variable lease payments	**-**	**-**
Total Lease Payments not considered as Lease payments under Ind AS 116	**122.95**	**57.31**

45. Other statutory information:

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b. The Company does not have any transactions with struck off companies.

c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)or

ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)or

ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

h. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

i. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

j. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.

k. The Company has borrowings from banks against security of its current assets. The reports or statements of Current assets filed by the company with banks are in agreement with the books of accounts.

l. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

46: Ratios as per schedule III requirements

Sl No	Particulars	FY 2023-24	FY 2022-23	% Change	Items Included in Numerator	Items Included in Denominator	Reason for change
1	Current Ratio (No of times)	1.40	1.43	-1.95%	Current Assets	Current Liabilities	
2	Debt Equity Ratio (No of times)	1.40	1.54	- 8.98%	Total Debt	Share holdersEquity	
3	Return on Equity Ratio (No of times)	0.19	0.09	113.60%	Net profit after tax	Average Shareholders's Equity	Due to increase of profits from Business Operations
4	Trade Receivable Turnover Ratio (No of times)	4.50	4.03	11.58%	Credit Sales	Average trade receivables	
5	Inventory Turnover Ratio (No of times)	1.79	1.87	- 4.03%	Raw Material consumed	Average Inventory	
6	Debt service coverage Ratio (No of times)	1.49	1.17	27.05%	Earnings available for debt service	Interest on borrowings + Repayment of borrowings	Due to increase of profit from Business Operations
7	Trade Payable turnover Ratio (No of times)	4.38	3.66	19.88%	Cost of material Consumed	Average Trade Payable	Due to Increase In Raw Material Consumption and Increased Business Operations
8	Net Capital turnover Ratio (No of times)	10.25	8.58	19.42%	Revenue from Operations	Working capital	Due to Increase in Turnover by 30% Compared with Previous Year
9	Net Profit Ratio %	2.42	1.28	89.18%	Net profit after tax	Revenue from Operations	Due to increase of profit from Business Operations
10	Return on Capital employed (No of times)	0.26	0.14	85.73%	Earnings before interest and taxes(EBIT)	Capital Employed(pre cash)	Due to increase of profit from Business Operations

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH (16TH) ANNUAL GENERAL MEETING (AGM) OF THE SHAREHOLDERS OF KAPSTON SERVICES LIMITED "COMPANY" WILL BE HELD ON FRIDAY, THE 27TH DAY OF SEPTEMBER, 2024 AT 04.00 P.M. AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT PLOT NO 75, KAVURI HILLS, MADHAPUR, HYDERABAD, TELANGANA- 500034, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2024 together with the Reports of the Board of Directors ('the Board') and Auditors thereon.**

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

   "**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. **To appoint a Director in place of Mr. Srikanth Kodali (DIN: 02464623), who retires by rotation and being eligible, offers himself for re-appointment as a Director.**

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

   "**RESOLVED THAT** pursuant to provisions of Section 152 of the Companies Act, 2013, Mr. Srikanth Kodali (DIN: 02464623), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Special Business:

3. **Re-appointment of Dr. Chereddi Ramachandra Naidu (DIN: 02096757)as an Executive Chairman of the company.**

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

   "RESOLVED THAT pursuant to Section 196, 197 and 203 of the Companies Act ("Act"), 2013 and all other applicable provisions, if any of the said Act and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Regulation 17 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 based on the recommendation of Nomination and Remuneration Committee and approval of the board of directors, the consent of members be and is hereby accorded for the re-appointment of Dr. Chereddi Ramachandra Naidu (DIN: 02096757), as an Executive Chairman of the Company, who has attained the age of 75 years, for a further period of 3 years w.e.f 29th August, 2024 and a consolidated honorary remuneration up to Rs. 15 Lakhs per annum shall be paid during his tenure.

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

4. **Revision in overall borrowing Limits of the Company:**

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

"RESOLVED THAT in supersession of the special resolution passed by the members on 11 January 2020 in this regard through Extra Ordinary General Meeting and pursuant to the provisions of Section 180(1)(C) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment or re-enactment thereof for the time being in force) and subject to the necessary approvals, consents, permissions and sanctions, if any, required from any respective authorities, the consent of the members of the Company be and is hereby accorded to borrow, enhance or avail loan facility for the general, working capital and such other corporate purposes, from time to time as the board may think fit, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs.300 Crores (Rupees Three Hundred Crores)."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above said resolution, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to filling of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

5. Creation of Charge / Mortgage on the assets of the Company:

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

"**RESOLVED THAT** in supersession of the special resolution passed by the members on 11th January 2020 in this regard through Extra Ordinary General Meeting and pursuant to the provisions of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to create such charges, mortgages and hypothecations in addition or supplemental to the existing charges, mortgages and hypothecations, if any, created by the Company, on its movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favor of Banks, Financial Institutions and any Lending Agencies or bodies / Security Trustees / Agents, for the purpose of securing any borrowing, loans and / or advances already obtained or that may be obtained, together with interest, all other costs, charges and expenses and other moneys payable by the Company to the concerned Lenders, up to a sum of Rs. 300 Crores (Rupees Three Hundred Crores only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments, agreements and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted / to be constituted by the Board and / or any Member of such Committee with power to the said Committee to sub-delegate its powers to any of its Members for the purpose of giving effect to the aforesaid Resolution."

For Kapston Services Limited

Sd/-
Triveni Banda
Company Secretary
M.No. A68042

Date:August 10, 2024
Place: Hyderabad

Notes:

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

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

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

3. Corporate shareholders intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the AGM.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. The register of directors and key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and the register of contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

6. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder and the MCA Circulars, the Notice calling the Annual General Meeting along with the Annual Report 2023-24 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository participant / RTA, unless the Members have requested for a physical copy of the same. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant. For any communication, the Members may also send requests to the Company's email id: cs@kapstonservices.com.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.kapstonservices.com. The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www. nseindia.com respectively and the AGM Notice is also available on the website of Bigshare(i-vote) (agency for providing the Remote e-Voting facility) i.e. https://ivote.bigshareonline.com

8. Pursuant to section 108 of the Companies Act, 2013, read with rules 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given separately.

9. Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM.

10. Shareholders are requested to intimate, immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts.

11. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details.

12. Pursuant to section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13 to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the Registrar and Transfer Agent of the Company.

13. The 16th Annual General Meeting (AGM) of the Company to be held on **Friday, the 27th Day of September, 2024** at the Corporate office of the Company and Members whose names are recorded in the Register of Members maintained by the Depositories as on the **Cut-off date i.e. Friday, September 20, 2024,** shall be entitled to avail the facility of remote e-voting as well as voting on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

14. All documents referred to in the accompanying notice will be available for inspection at the corporate office of the company during business hours on all working days till the date of AGM of the Company.

15. 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.

16. The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot papers during AGM and after taking into consideration the e-voting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.kapstonservices.com and on the website of Stock Exchange (NSE)

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

18. Route map to the venue of the AGM is published in the Annual Report.

Date :August 10, 2024
Place : Hyderabad
Registered Office
Kapston Services Limited
Plot No.287,MIG-2, IX Phase KPHB,
Kukatpally, Hyderabad- 500072.
CIN : L15400TG2009PLC062658
Email: cs@kapstonservices.com
Website:www.kapstonservices.com
Contact : +91 96 4050 4050

By order of the Board
For Kapston Services Limited

Sd/-
Triveni Banda
Company Secretary
M.No. A68042

Guidelines for Electronic Voting

Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the shareholders to cast their vote on all resolutions set forth in the notice convening the 16th Annual General Meeting (AGM) to be held on **Friday, the 27th Day of September, 2024**. The Company has engaged the services of Bigshare Services Pvt Ltd to provide the e-voting facility.

Shareholders of the Company as on the cut-off date September 20, 2024 are entitled to vote on the resolutions set forth in this Notice.

The e-voting period begins on **September 24, 2024 at 09:00 A.M. and ends on September 26, 2024 at 05:00 P.M.** During this period, shareholders of the Company, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by Bigshare Services Pvt Ltd for voting thereafter. Members will not be able to cast their votes electronically beyond the date and time mentioned above.

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.

The Company has appointed **Mr. D S Rao, Practising Company Secretary**, Hyderabad, (COP: 14487) 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.

i. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

ii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iii. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting **for Individual shareholders holding securities in Demat mode** is given below:

Type of share holders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of **BIGSHARE** the e-Voting service provider and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. **BIGSHARE**, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**LOGIN**" button under the '**INVESTOR LOGIN**' section to Login on E-Voting Platform.
- Please enter you '**USER ID**' (User id description is given below) and '**PASSWORD**' which is shared separately on you register email id.
    - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as userid.

- Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
- Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on **Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.

  (In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on **"VOTE NOW"** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**INFAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigsharei-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with **"User id and password will be sent via email on your registered email id"**.

NOTE: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**.

  (In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.
- Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
- Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".

  Note: The power of attorney (POA) or board resolution has to be named as the "**InvestorID.pdf**" (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

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

A	Name	Mr. Kodali Srikanth
	Directors Identification Number	02464623
B	**Brief Resume**	
	i) Age	48 Years
	ii) Qualification	Bachelor of Commerce
	iii) Experience (including expertise in specific functional area/Brief Resume)	Field of Expertise: Business, Administration, Security & FM, Industry Knowledge, Risk Management. 19 Years of experience in Security and Facility management, 4 years of experience in other fields
	iv) Date of initial appointment on the Board of the Company	Since Incorporation i.e., since 31st January, 2009
C	Names of other companies in which he is acting as Director	Nil
D	Name(s) of other companies in which committee Membership(s)/Chairperson held as on date	Nil
E	Shareholding in the Company	1,44,07,386 Equity Shares
F	Relationships between other Directors Inter-se	Spouse of Ms. Kanti Kiran Doddapaneni, Non-Executive Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1)

OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

Item No: 3

Re-appointment of Dr. Chereddi Ramachandra Naidu (DIN: 02096757) as Executive Chairman of the company

The current tenure of Dr. Chereddi Ramachandra Naidu as an Executive Chairman of the Company is about to expire on 28th August, 2024. Pursuant to the recommendation of the Nomination and Remuneration Committee, the said reappointment was approved by the Board on August 10, 2024 to hold the said office for a further period of 3 years w.e.f. 29th August, 2024, on a remuneration and other terms as detailed in the resolution. This appointment needs further approval of the shareholders under section 196 of the Companies Act, 2013. Dr. Chereddi Ramachandra Naidu has been associated with the company for about 6 years. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company

Justification:

Dr. Chereddi Ramachandra Naidu has been associated with the company for about six years.His business acumen and qualities of leadership have contributed in an immense measure tothe growth and stability of the company. At 75 years, he brings great energy and enthusiasmto the table. A well-read man, filled with wisdom and compassion, Dr. Naidu is an idealleader and mentor for a service-oriented yet ambitious entity like Kapston Services Limited,for he understands the pulse of the business and has the resolve to swim against the current,making him the right choice to be at the helm as Chairman.

During his police service, he worked in various branches of policing i.e. Law and Order, intelligence, training, security, criminal investigation etc, after retirement, he has been associated with various private organisations, where he has gained lot of knowledge and experience in human resource management, industrial relations, strategy, planning, project management etc.

Throughout his four decades of service in uniform, Dr. Naidu amassed an extensive range of expertise, notably in HR management, industrial relations, strategy, and project management. He's a published author, with his book titled 'Preventive Powers of Police' being published by the AP Police Academy. His guidance and insights continue to inspire and drive our organization forward.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had in their meeting held on Saturday, August 10, 2024, recommended the re-appointment of Dr. Chereddi Ramachandra Naidu, as an Executive Chairman of the Company

The Board recommends the Special Resolution set out in Item No. 3 for approval by the shareholders.

None of the directors or Key Managerial Personnel or their relatives is concerned or interested either financially or otherwise except the appointee.

Annexure to item No. 3 and the explanatory statement pursuant to Regulation 36 of the SEBI LODR Regulations and Secretarial Standard-2 issued by The Institute of Company Secretaries of India, information about the directors who is seeking re-appointment/appointment

A	Name	Dr. Chereddi Ramachandra Naidu
	Directors Identification Number	02096757
B	Brief Resume	
	i) Age (Date of Birth)	75 Years (01-02-1950)
	ii) Qualification	Retd. IPS MA in Sociology and a Doctorate in Commerce & Management.
	iii) Experience (including expertise in specific functional area/Brief Resume)	He joined the Police Services as a Deputy Superintendent of Police in the year 1977 and retired in the year 2007 as Inspector General of Police. He is acting as Director of the Company since 2018.
	iv) Date of initial appointment on the Board of the Company	22.02.2018
C	Nature of expertise in specific functional Areas	His expertise spans human resource management, Industrial relations, strategy and project management.
D	Names of other companies in which he is acting as Director	NIL
E	Name(s) of companies in which committee Membership(s)/Chairperson held as on date	NIL
F	Shareholding in the Company	12,82,400 Equity Shares
G	Relationships between other Directors Inter-se	No relationship with other directors.

ITEM NO: 4 & 5

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of the Company should obtain approval of the Shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid up share capital, free reserves and securities premium account of the Company. Accordingly, the approval of shareholders was obtained at the Annual General Meeting held on 11th January, 2020. To meet the increased requirements of funds in future, which may arise on account of long term working capital requirement, capital expenditure or the expansion plan / program of the Company, the Company may require to raise further loans / borrowings from financial institutions, banks and others. Accordingly, it is proposed to increase the present limit of borrowings from Rs.200 Crores to Rs.300 Crores. Further, to secure the said borrowings, which the Company may borrow from time to time, the Company may be required to create mortgages / charges / hypothecation in favour of the Lenders / Financial Institutions / Bodies Corporate / others, on all or any of its movable and immovable properties. In order to create aforesaid mortgages / charges / hypothecation, the consent of the Shareholders by means of Special Resolution is required under section 180(1)(a) of Companies Act, 2013. Accordingly, the Resolution Nos. 4 & 5 are proposed to obtain necessary consent of the members of the Company in term of the provision of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013. In view of the above, the Board of Directors recommends passing the resolutions as set out in item nos. 4 and 5 of this Notice as Special Resolutions.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolutions.

KAPSTON SERVICES LIMITED

CIN: L15400TG2009PLC062658
Registered office: Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana-500072.
Corporate Office: Plot No.75, Kavuri Hills, Madhapur, Hyderabad-500034.
E-mail : cs@kapstonservices.com **Website**: www.kapstonservices.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 16th Annual General Meeting of the company held on Friday, the 27th Day of September, 2024 at 04.00 P.M. at the Corporate Office of the Company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500034.

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

*Applicable if shares are held in electronic form.

Name & Address of the Shareholder

Signature of Shareholder/Proxy/Representative (Please Specify)

Note

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

KAPSTON SERVICES LIMITED

CIN: L15400TG2009PLC062658
Registered office: Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana-500072.
Corporate Office: Plot No.75, Kavuri Hills, Madhapur, Hyderabad-500034.
E-mail : cs@kapstonservices.com **Website**: www.kapstonservices.com

Form No. MGT-11
Proxy Form

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

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

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

1. Name: _____
   Address: _____
   Email ID: _____
   Signature: _____or falling him/her

2. Name: _____
   Address: _____
   Email ID: _____
   Signature: _____or falling him/her

3. Name: _____
   Address: _____
   Email ID: _____
   Signature: _____or falling him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 16th AGM of the company to be held on **Friday**, the 27th Day of September, **2024** at 04.00 P.M. at the venue of AGM i.e., Corporate **office**: Plot No. 75, Kavuri Hills, Madhapur, Hyderabad-500034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Vote (optional see note2) (please mention no of shares	
Ordinary Business		**For**	**Against**
1.	To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors ('the Board') and Auditors thereon.		
2.	To appoint a Director in place of Mr. Srikanth Kodali (DIN: 02464623), who retires by rotation and being eligible, offers himself for re-appointment as a Director.		
Special Business			
3.	Re-appointment of Dr. Chereddi Ramachandra Naidu (DIN: 02096757) as an Executive Chairman of the company.		
4.	Revision in overall borrowing Limits of the Company.		
5.	Creation of Charge / Mortgage on the assets of the Company.		

Affix Revenue Stamp

Signed this _____ day of _____ 2024

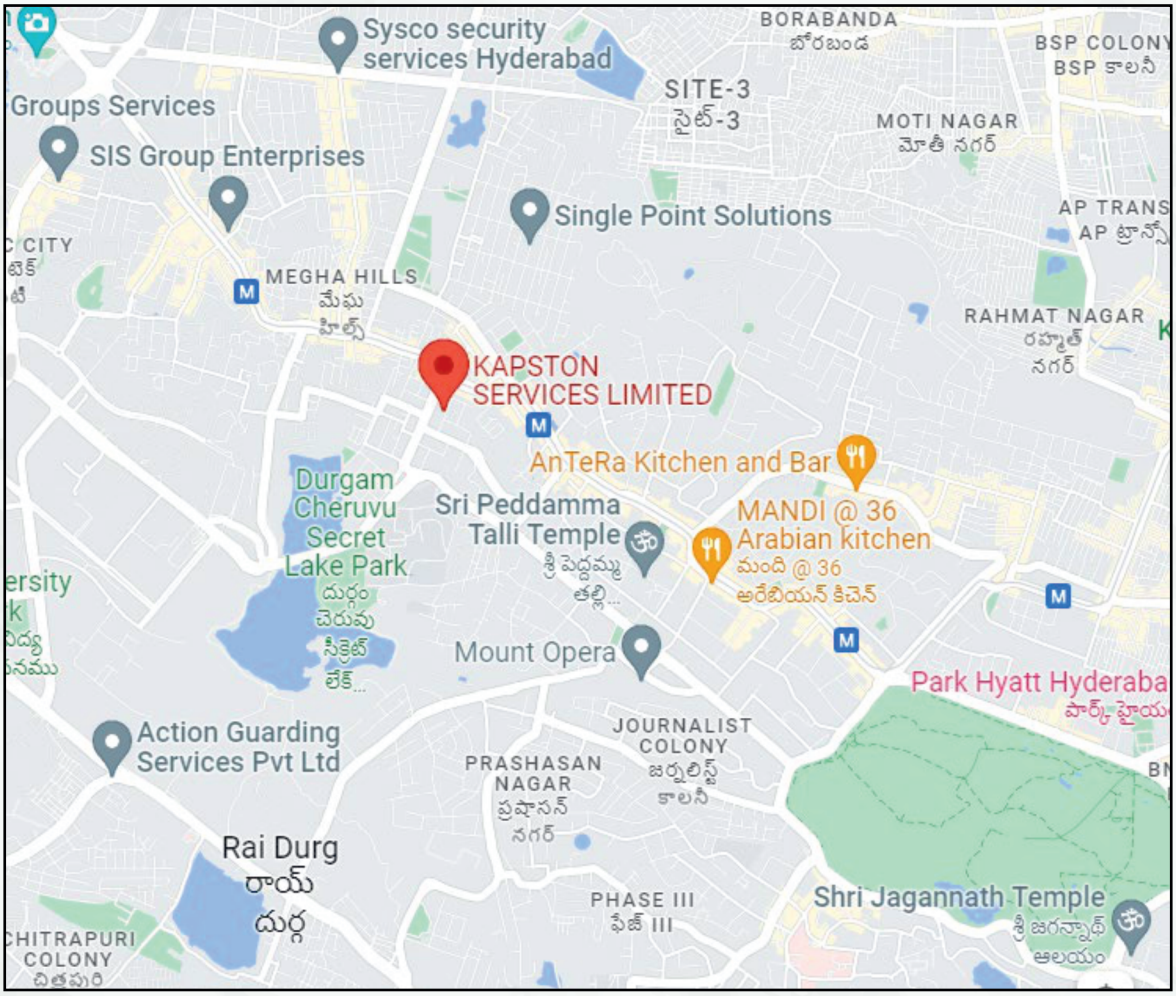
Signature of the shareholder: _____

Signature of Proxy holder(s): _____

Note

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

ROUTE MAP OF ANNUAL GENERAL MEETING VENUE



KAPSTON
SERVICES LIMITED

CIN : L15400TG2009PLC062658

Registered Office

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

Contact : +91 96 4050 4050

Corporate Office

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

Ph : +91 98487 78243 / +91 96405 04050 | E-mail: cs@kapstonservices.com

Website: www.kapstonservices.com