September 02, 2025

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

Sub: Submission of Notice of 17th Annual General Meeting (AGM) along with Annual Report for the Financial Year 2024-25.

Pursuant to regulation 34(1) of SEBI (LODR) Regulations, 2015, we are enclosing herewith the Notice of 17th Annual General Meeting (AGM) to be held on Wednesday, September 24, 2025, at 04.00 p.m. at Corporate office of the Company along with the Annual Report for the Financial Year 2024-25, which is being sent to the members of the Company through electronic mode.

The Annual Report 2024-25 containing the Notice of the 17th Annual General Meeting has also been uploaded on the Company's website at https://kapstonservices.com/wp-content/uploads/2025/08/Annual-Report-2024-25.pdf

Kindly take the same on record.
Thanking you,

Yours faithfully,
For Kapston Services Limited

Triveni Banda Digitally signed by Triveni Banda Date: 2025.09.02 18:37:35 +05'30'

Triveni Banda
Company Secretary & Compliance Officer

KAPSTON
SERVICES LIMITED

ANNUAL REPORT 2025

TABLE OF CONTENTS

INTRODUCTION 4-6

- Theme Intro
- A Growth Phase
- Corporate Information

COMPANY OVERVIEW 7-25

- Vision, Mission, Values & Objectives
- Who we are & Services we offer
- Our presence
- Key Performance Indicators
- Board of Directors
- Senior Management
- Chairman's Message
- Managing Director's Message

VALUE CREATION APPROACH 26-28

- ESG
- Corporate Social Responsibility
- Employee Welfare

STATUTORY REPORTS 29-82

- Management Discussion and Analysis
- Board's Report
- Report on Corporate Governance

FINANCIAL STATEMENTS

STANDALONE 83-142

- Independent Auditor's Report
- Standalone Balance Sheet
- Standalone Statement of Profit and Loss
- Standalone Statement of Cash Flows
- Statement of change in Equity
- Notes to the Standalone Financial Statements

CONSOLIDATED 143-199

- Independent Auditor's Report
- Consolidated Balance Sheet
- Consolidated Statement of Profit and Loss
- Consolidated Statement of Cash Flows
- Statement of change in Equity
- Notes to the Consolidated Financial Statements

NOTICE 200

Scan the above QR Code to see this Report online

A Year of Collective STRENGTH, Shared PURPOSE, and GROWING Impact

In the fiscal year **2024–25, Kapston Services Limited** continued its journey with renewed purpose and unwavering unity. With the spirit of **"One Team, One Mission"** guiding every step, this year has been about moving forward—together.

Across every business vertical, geography, and service line, our teams stood as one, driven by a common goal: to deliver excellence, create value, and uphold the trust placed in us. Our success this year is not measured by numbers alone, but by the **collaborative mindset, shared goals** and the **unified efforts** that made those numbers possible.

We've expanded our presence, strengthened operational efficiency, and embraced innovation—while keeping our core values intact. Every challenge was met with a solution-focused approach, every milestone with humility and every achievement with a readiness to aim higher.

This year was about more than just growth—it was about **alignment.** Teams worked with clarity, leaders led with purpose, and every individual played a vital role in propelling Kapston forward. **Our financial performance, client satisfaction** and **employee engagement** all reflect the power of unity.

As we close this fiscal year, we do so with pride and gratitude—knowing that what we've achieved was possible because we moved as **One Team with One Mission**. And with that same energy, we now look ahead to new goals, new challenges and new opportunities—stronger together.

FY 2024-25 A GROWTH PHASE

United by one team and one mission, our strong performance in FY 2024–25 stands as a testament to our collective strength. Even in a highly competitive landscape, we've achieved impressive growth - setting the pace for continued industry leadership.

FIGURES TELL THE STORY

TOTAL REVENUE

₹69023.18 Lakh

as against ₹52132.91 lakh in FY 2023-24

EBITDA

₹3175.01 Lakh

as against ₹2413.99 lakh in FY 2023-24

PAT

₹1783.65 Lakh

as against ₹1257.07 lakh in FY 2023-24

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS

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

M/s.TAN & Associates, Chartered Accountants
Ms. K. Sravanthi
Membership Number: 239567

SECRETARIAL AUDITOR

M/s. VCAN & Associates, Practicing Company secretaries
Mr. Santosh Gunemoni
C.P. No. 27836

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

VISION, MISSION, VALUES & OBJECTIVES

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.
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.
Values	• Integrity • Quality • Process Excellence • Professionalism • Competitiveness
Core Objectives	To design a premium policy that is aligned with the needs of the industry and ensuring compliance with the best mandated standards.

WHO WE ARE:

We, Kapston Services Limited are a leading Human Capital Solutions Provider delivering services in General Staffing, Integrated Facility Management, Security Services & IT Staffing. Enhancing Employability | Empowering Bharat, these words are more than a tagline, they are the foundation of everything we do. Our vision is clear, to become the best service partner to our clients, with a focussed approach towards client satisfaction. We are guided by our core values integrity, quality, process excellence, professionalism and competitiveness - ensuring we deliver the best.

Founded in 2009 at Hyderabad, we have grown to a 28,000 plus strong work force and proudly serve 800 plus clients across sectors like Manufacturing, Pharma, IT/ITES, Healthcare, Education, Fintech & more. Our services are certified with ISO 9001:2015 (Quality Management), ISO 45001:2018 (Occupational Health & Safety), ISO 18788:2015 and PSARA - ensuring best compliance and performance. Through skill development programmes like NAPS & NATS, we upskill individuals and empower communities. With 38% of our team comprising of women, reflecting our commitment towards diversity, inclusion & responsible employment.

Our competence and commitment are unparalleled as vouched by our list of long-standing clients. At Kapston, we help our Clients to focus on their core business while we manage the entrusted scope of services with integrity, efficiency and care. Our Technology driven service delivery includes, E-Help Desk, QR based Checklist, Visitor Management System, Geo Tagged Attendance, Digital Onboarding, RFID, Asset Tracking & Digi Trainings bring transparency, accountability and efficiency to our operations and enabling us to be future ready.

Let's build success together.

SERVICES WE OFFER

- General Staffing
- Security
- House Keeping
- Engineering
- IT Staffing

BUSINESS SEGMENTS WE SERVE

- Manufacturing
- Pharma
- IT/ITES
- BFSI, NBFC & Fintech
- FMCG & FMCD
- Automobiles
- E-Com & Q-Com
- Retail & Logistics
- Agriculture & Food Processing
- Healthcare & Hospitality
- Education
- Infrastructure & Commercial
- Govt. & PSUs
- Telecom, Media & Entertainment
- Residential

GENERAL STAFFING

Kapston Services offers end-to-end General Staffing solutions designed to meet the dynamic needs of businesses across industries. Our scalable services ensure timely and cost-effective workforce support while maintaining compliance and quality standards.

Contract Staffing

Flexible manpower solutions tailored to project needs, seasonal demand, and workforce optimization.

NAPS & NATS

Helping organizations leverage government - backed apprenticeships for skill development and future-ready talent pipelines.

Payroll Management

Comprehensive payroll solutions ensuring accuracy, compliance and confidentiality – from salary processing to statutory filings.

Permanent Staffing

Expertise-driven hiring to match the right talent with the right role, enhancing long-term business success.

Recruitment Process Outsourcing (RPO)

Customized RPO models for end-to-end recruitment management, from talent sourcing to onboarding backed by technology and industry insights.

SECURITY SERVICES

Our Security Services division is built on the core values of discipline, vigilance, and professionalism. We provide highly trained personnel and advanced security protocols to protect our clients' assets, operations, and personnel. Whether it's maintaining on-site security or integrating state-of-the-art surveillance systems, we deliver proactive, tailored solutions that address each client's unique needs.

Our approach combines physical security with cutting-edge technology, ensuring comprehensive protection that adopts to evolving threats. Through constant vigilance, strategic planning and customized services, we offer dependable security that gives our clients peace of mind.

Manned Guarding & Executive Protection

Professional on-site security personnel and discreet executive protection for high-profile individuals.

Electronic Surveillance & CCTV Monitoring

Cutting-edge video surveillance systems with real-time monitoring to deter and detect potential threats.

Access Control Management

Advanced management of entry points, combining technology with expert operators to ensure security at all times.

Event Security & Crowd Control

Comprehensive security solutions for public and private events, from planning to crowd management and crisis response.

Risk Assessment & Security Audits

Thorough evaluations to identify vulnerabilities and develop strategies to enhance your security posture.

Emergency Response Teams

Rapid-response teams trained to handle critical incidents with speed, precision, and efficiency.

HOUSE KEEPING

We provide comprehensive facility support services designed to ensure cleanliness, efficiency and a positive workplace environment.

House Keeping & Janitorial Services
Comprehensive daily upkeep that ensures dust-free, hygienic and well-organized premises, creating a welcoming environment for employees and visitors.

Pantry & Office Support Services
Trained staff to manage pantry operations, office assistance and day-to-day workplace needs, enabling smooth business operations with zero disruptions.

Façade & Glass Cleaning
Specialized cleaning solutions using advanced equipment and safety practices to keep building exteriors, façade and glass areas spotless and shining.

Pest Control & Sanitization
Safe, eco-friendly, and effective pest management and sanitization programs that protect health, prevent contamination and maintain hygiene standards.

Waste Management & Landscaping
Sustainable waste handling solutions combined with professional landscaping services to promote eco-consciousness and create aesthetically pleasing surroundings.

Specialized Cleaning
Custom-designed cleaning programs for sensitive environments such as hospitals, retail outlets and large commercial spaces, ensuring compliance, safety and high-quality standards.

ENGINEERING SERVICES

Our Engineering Services are focused on delivering operational excellence, safety, and efficiency across diverse facilities. Backed by a team of qualified engineers, certified technicians and skilled people, we provide comprehensive technical support that ensures reliability, minimizes downtime and enhances overall performance. From routine maintenance to advanced automation, we help clients keep their infrastructure robust, compliant and future-ready.

Electrical & Mechanical Maintenance
Preventive and corrective services to ensure smooth and uninterrupted operations.

HVAC Operation & Maintenance
Energy-efficient solutions for reliable heating, ventilation and air conditioning systems.

Plumbing & Water Management
Installation and maintenance of water supply, drainage and sanitation systems.

Fire & Safety Systems
Design, installation, inspection, and monitoring of fire detection and suppression systems.

Energy Management Solutions
Smart audits and systems to reduce costs and optimize energy consumption.

Building Automation & Controls
Modern automation technologies to enhance efficiency, safety and comfort.

IT STAFFING SOLUTIONS

Our IT Staffing team specializes in sourcing, screening and deploying skilled professionals across diverse technologies and domains. Whether it's for temporary, permanent, or project-based requirements, we bridge critical talent gaps with speed, precision and reliability helping organizations scale efficiently.

Contract & Project-Based Staffing
Flexible workforce solutions to meet short-term assignments and project-driven requirements.

Permanent IT Talent Acquisition
Comprehensive hiring support to source and secure long-term technology professionals.

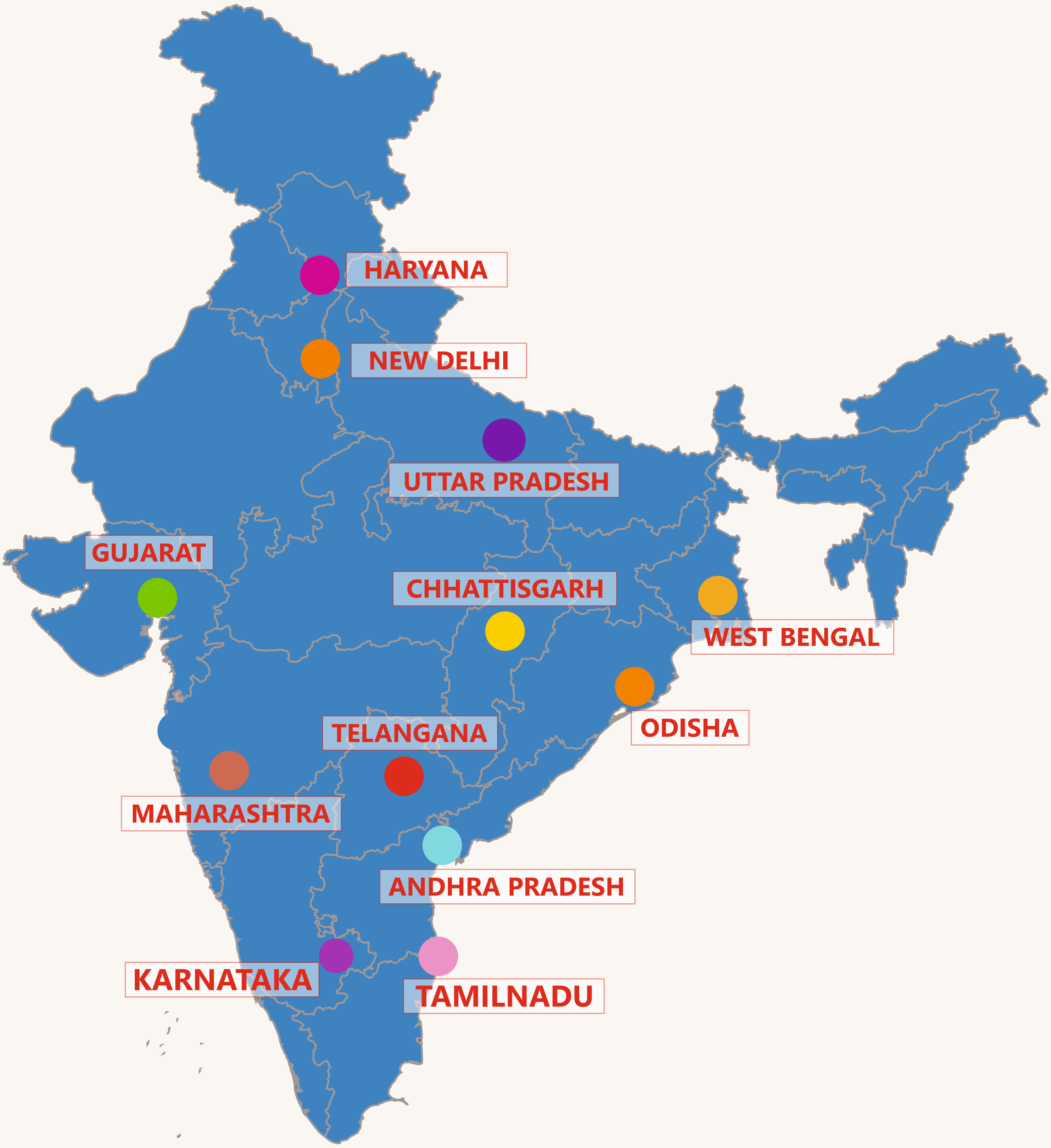
Managed IT Resource Deployment
Ready-to-deploy IT experts to seamlessly augment and strengthen client teams.

Developers, Engineers, Analysts & Support Staff
Access to a wide talent pool covering both technical and functional IT roles.

Payroll & Compliance Management
Simplified payroll handling with complete statutory and compliance support.

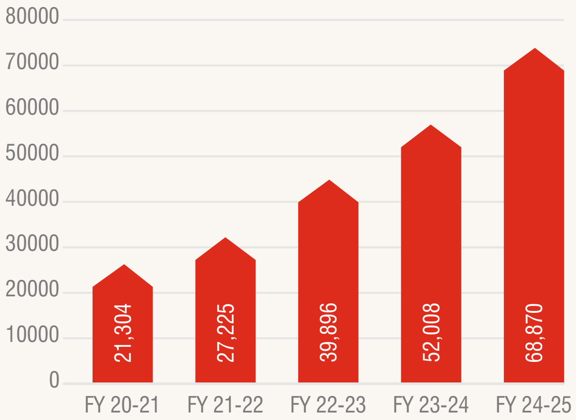
Recruitment Process Outsourcing (RPO)
Dedicated recruitment services to streamline, optimize and accelerate IT hiring cycles.

OUR PRESENCE

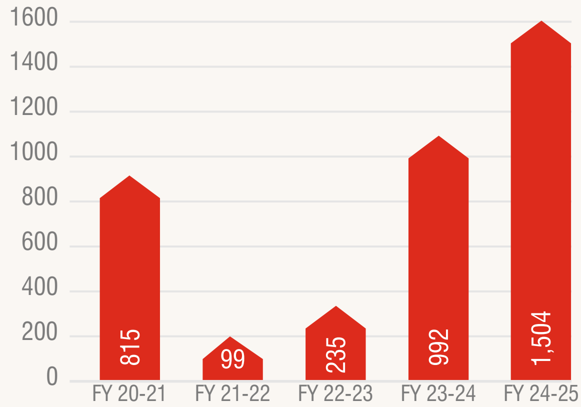


A Summary of our Success In Figures

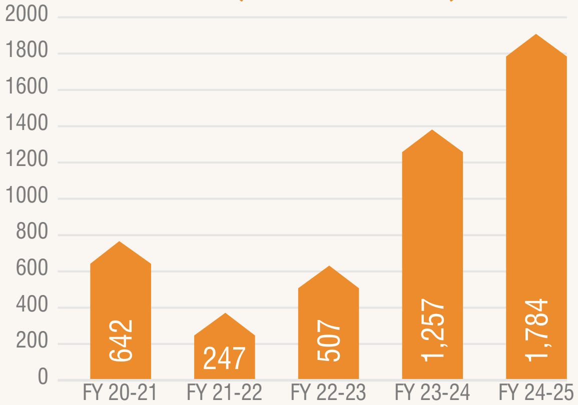
Revenue from Operations (INR in Lakhs)



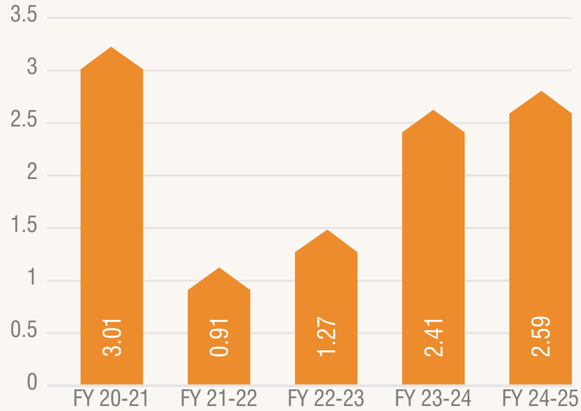
PBT (INR in Lakhs)



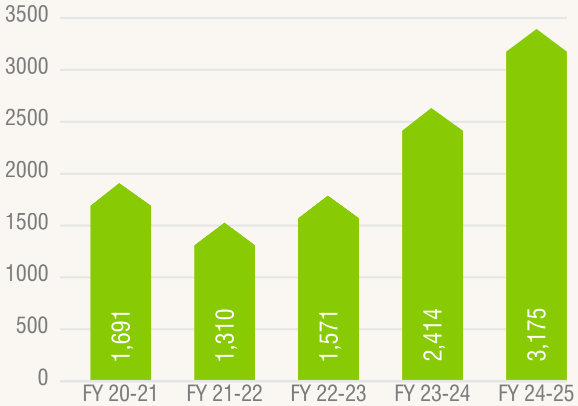
PAT (INR in Lakhs)



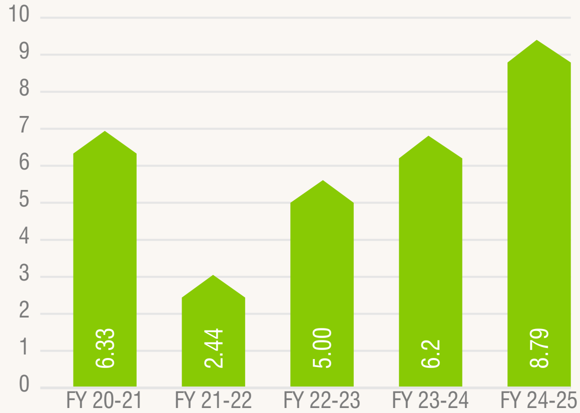
PAT%



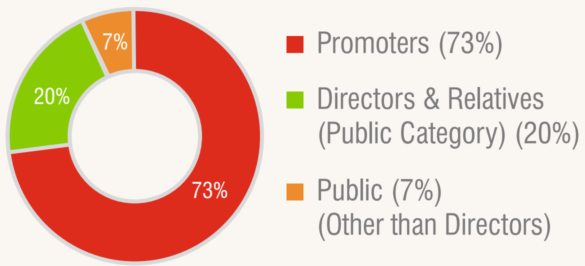
EBITDA (INR in Lakhs)



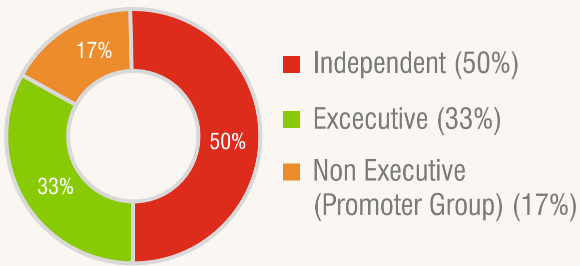
EPS



SHAREHOLDING PATTERN (31ST MARCH 2025)



BOARD COMPOSITION



BOARD OF DIRECTORS

Dr. Chereddi Ramachandra Naidu

Executive Chairman

Dr. Chereddi Ramachandra Naidu serves as the Executive Chairman of Kapston Services Limited. He holds a Master's degree in Sociology and a Doctorate in Commerce and Management. A distinguished officer of the Indian Police Service (IPS), he retired in 2007 as the Inspector General of Police in the erstwhile unified Andhra Pradesh State.

With over four decades of service, Dr. Naidu brings vast experience in human resource management, industrial relations, strategic planning and project execution. He is also a published author-his notable work **"Preventive Powers of Police"** was released by the AP Police Academy. His strategic insights and visionary leadership continue to be a guiding force in Kapston's sustained growth and excellence.

Mr. Srikanth Kodali

Managing Director

Mr. Srikanth Kodali is a first-generation entrepreneur and the driving force behind Kapston's journey since its inception. With a degree in Commerce and deep domain expertise, he has been instrumental in building the company's capabilities across facilities management, security services, and staffing solutions.

As Promoter & Managing Director, Mr. Kodali plays a pivotal role in business strategy, operations, expansion and client relationships. His entrepreneurial vision and hands-on leadership have been central to Kapston's emergence as one of India's leading integrated service providers.

Ms. Kanti Kiran Doddapaneni

Non-Executive Director

Ms. Kanti Kiran Doddapaneni serves as a Promoter and Non-Executive Director at Kapston Services Limited. She holds a Bachelor's degree in Science from Osmania University and a Master's degree in Arts, bringing with her a well-rounded academic background. Her presence on the Board reflects the company's commitment to strong governance.

BOARD OF DIRECTORS

Mr. Nageswara Rao Koripalli
Independent Director

Mr. Nageswara Rao Koripalli retired in 2018 as Principal Director of Income Tax (Investigation) for Telangana and Andhra Pradesh. A former IRS officer, he also served as Special Director in the Enforcement Directorate, bringing over 33 years of expertise in taxation, finance, audit, and enforcement laws.

He holds a Master's degree in Science and a Bachelor of Law (LLB). His knowledge spans Indian tax legislation, company law, and regulatory frameworks including FERA, FEMA, PMLA, the Benami Properties Act and the Black Money Act. His presence on the Board significantly enhances Kapston's governance and compliance practices.

Mr. Naveen Nandigam
Independent Director

Mr. Naveen Nandigam is an Independent Director, is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and has been in professional practice since 1990. With deep expertise in financial reporting, auditing and management consulting, his association with Kapston since February 2018 has bolstered the company's financial oversight and strategic direction.

Ms. Vanitha Nagulavari
Independent Director

Ms. Vanitha Nagulavari is an Independent woman Director with over a decade of professional experience in the fields of corporate law, company secretarial practice and capital markets. A Commerce graduate and Associate Member of the Institute of Company Secretaries of India (ICSI), she adds valuable legal and compliance expertise to the Board, strengthening Kapston's corporate governance framework.

SENIOR MANAGEMENT

Kapil Sood

Chief Financial Officer

Mr. Kapil Sood is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India (ICAI), with over 20 years of experience in accounting, controllership, corporate finance, taxation and financial strategy. His expertise plays a critical role in Kapston's financial governance and planning.

Triveni Banda

Company Secretary & Compliance Officer

Ms. Triveni Banda is an Associate Member of the Institute of Company Secretaries of India (ICSI). She holds a Master's degree in Commerce and is also a Law graduate. She leads the company's corporate compliance, regulatory affairs and secretarial functions with precision and integrity.

Vishnu Mora

Chief Operating Officer

Mr. Vishnu Mora brings over three decades of leadership experience in Facilities Management, Property Management and Construction Management. Beyond managing operations, he is instrumental in business expansion and client retention, making him a key pillar in Kapston's growth strategy.

SENIOR MANAGEMENT

Haraprasad Panda

Executive President

Dr. Haraprasad Panda, MRICS, is a seasoned leader with over 28 years of expertise in General Staffing, IFM, Security, IT Staffing, e-Governance, and overall Human Capital Solutions. Recognized as a LinkedIn Top Voice and an Independent Director certified by the Ministry of Corporate Affairs, he also holds an Honorary Doctorate in Workforce Development & Business Leadership. He actively contributes to industry bodies including FICCI, CII, RICS, GACS, HR Bharat, and the Indian Staffing Federation, sharing insights on ESG, DEI, Transformation Leadership & Future of Work. Beyond boardrooms, he is passionate about mentoring young professionals, guiding start-ups, and speaking at B-Schools. A regular blogger and speaker, he firmly believes success is not only about numbers but the positive difference created in people's lives.

Shamporam Narsing Rao Syam Sundar

Senior Vice President – Staffing Solutions

Mr. Syam Sundar a Commerce Graduate, has nearly 25 years of experience in profit centre operations, sales & marketing, business development, large account management and HR & staffing solutions. He has successfully implemented several operational systems and procedures. he has completed leadership and management development programs from Kirloskar Institute of Advanced Management Studies and Welingkar Institute of Management.

Reena Rekulgikar

Head – Human Resources

Ms. Reena Rekulgikar is a dynamic, result-oriented HR leader with 21 years of experience in human resource management. She has played a pivotal role in shaping Kapston's HR strategy, fostering a workplace culture rooted in excellence, innovation, and inclusivity.

SENIOR MANAGEMENT

P. S. Raju

Associate Vice President – Soft Services (IFM)

Mr. P.S. Raju brings over two decades of experience in manpower sourcing, client management, retention and team leadership. He has successfully managed Integrated Facility Management (IFM) operations across sectors including MNCs, BFSI, IT/ITES, commercial and residential real estate, pharma, FMCG, and healthcare.

C. Srinivas

Associate Vice President – Security Services

With more than 25 years of experience in manpower sourcing and client engagement, Mr. C. Srinivas leads Kapston's Security Services division. A commerce graduate, he is also a certified Security Practitioner by the Indian Institute of Security and Safety Management (IISSM).

Nitya Menon

General Manager – Administration & Procurement

Ms. Nitya Menon has 21 years of multi-domain experience across administration, event planning, guest relations, marketing, brand consulting and HR. She currently heads the Admin & Procurement function, handles digital marketing and also serves as Executive Assistant to the Managing Director. She holds a commerce degree.

SENIOR MANAGEMENT

K. Soma Sekhar

General Manager – Statutory & Payroll

Mr. Soma Sekhar brings over 15 years of experience in Integrated Facility Management (IFM), e-Governance, NAPS, statutory compliance, payroll and HR operations. He currently leads Kapston's Payroll, Statutory Compliance, NAPS coordination, and MIS functions.

Anupam Saxena

General Manager – General Staffing (North)

Mr. Anupam Saxena brings over 15 years of diverse leadership experience in staffing, business strategy, and organizational transformation. He holds a Post Graduate Diploma in Marketing from the Institute of International Business & Research, Pune.

Abhijeet Vitekar

General Manager - General Staffing (West)

Mr. Abhijeet has over 23 years' experience in Human Resources in Industries like Staffing, BPO, KPO and Customer Service. His expertise in Sales, Recruitment, Operations, P&L management. Prior to joining Kapston Services, Abhijeet was associated with Adecco Group, Manpower Group, First Meridian Group & SRE HR Services. He has an MBA in Operations. In Kapston Abhijeet is responsible for P&L of Western Region.

"True growth happens when vision meets collaboration. As one team with one mission, we've not only built a stronger Kapston, but also strengthened the lives we touch every day."

Dr. Chereddi Ramachandra Naidu
IPS (Retd.), Executive Chairman

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is with pleasure that I share the progress and performance of Kapston Services Limited for the financial year 2024–25, a year driven by the spirit of "One Team, One Mission."

This unified approach across every level of the organization has helped us to achieve a turnover of INR 69,023.18 Lakhs, with an impressive 32.40% growth, reflecting the strength of our collective efforts. This growth is not just a business milestone, it's a positive force that continues to enhance the financial stability and livelihood of thousands of families connected to us.

Over the years, Kapston has gained into a reliable and dynamic name in the services sector. Our focus areas-General Staffing, Security, Housekeeping, Engineering and IT Staffing-have enabled us to offer end-to-end solutions to clients from diverse industries, keeping us both agile and relevant in a competitive environment.

With market needs constantly evolving, our teams have risen upto the challenge by expanding and refining our service offerings. By putting quality, trust and value at the center of everything we do, we have nurtured long-term partnerships with our clients, partnerships that continue to fuel our growth. Looking ahead, we see Kapston playing a pivotal role in the general staffing and Facility Management sectors across India and in time, exploring opportunities to serve global markets.

I extend my heartfelt appreciation to our leadership and management teams for steering the organization with vision and focus. Their collaborative approach has not only strengthened our market presence but also aligned our operations toward long-term sustainability and growth.

As we celebrate our achievements, we are equally mindful of our social responsibility. Our contributions to healthcare, rural empowerment and workforce development are ongoing efforts to give back to the communities we serve. We look forward to expanding our reach further, building a future that is inclusive, responsible and community driven.

Lastly, I wish to sincerely thank our employees, investors, and stakeholders for their continued belief in us. Your support is the foundation upon which we build, grow and succeed together.

I wish you and your families good health, continued success and prosperity.

Thank you,
Dr. Chereddi Ramachandra Naidu
Executive Chairman
Kapston Services Limited

"Progress is no longer a solo journey - it's a shared mission. Our collective success reflects the power of unity, where every role adds purpose and every individual carries the spirit of one team."

Mr. Srikanth Kodali
Managing Director

MANAGING DIRECTOR'S MESSAGE

As a leading manpower services provider, we have always believed that unity isn't just a value it's a strategy. And this year, under the powerful theme of "One Team, One Mission," we've proven that collective strength leads to exceptional outcomes.

FY 2024–25 has been a year of decisive strides and purposeful execution. While many in our industry faced disruptions due to rising talent demands, evolving compliance norms and an increasingly competitive landscape, Kapston continued to forge ahead. Our performance marked by a revenue growth of 32.40% and a net profit increase of 33.99% reflects not just resilience, but our ability to adapt with speed, precision and people-centric innovation.

What sets us apart in today's fast-moving manpower ecosystem is our integrated approach. We have sharpened our offerings across General Staffing, Security Services, Soft Services, Technical Services, and IT Staffing ensuring every client requirement is met with tailored, tech-enabled, and scalable solutions. At a time when AI is reshaping jobs, our strategy has been clear: equip people with future skills, enhance productivity through digital tools and remain the human partner in an increasingly automated world.

We've expanded our influence in critical verticals such as BFSI, healthcare, logistics and retail, while laying strong foundations in Recruitment Process Outsourcing (RPO), Skill Development through NAPS and NATS and rural workforce mobilization.

But this is just the beginning.

As we envision the next five years, we see a stronger, smarter, and more socially rooted Kapston a company not just known for the services it delivers, but for the difference it creates.

We aim to be at the forefront of building a responsible workforce ecosystem driven by technology, governed by trust and anchored in inclusivity. This means being ready for green energy transitions, embracing ESG mandates and expanding our national footprint into new urban and semi-urban markets.

I express my heartfelt gratitude to our employees who make this journey possible, our clients who place their confidence in us and our investors who walk alongside us with belief and conviction.

Together, let's continue to challenge norms and redefine the future of manpower services. The next chapter is bold and we are ready to lead it One Team, One Mission.

Thank you,
Srikanth Kodali
Managing Director

ENVIRONMENTAL, SOCIAL & GOVERNANCE

As a leading Manpower services provider, our commitment to Environmental, Social, and Governance (ESG) principles is integral to how we operate, deliver value to our stakeholders, and contribute to a more sustainable future. As a leading manpower services provider, we recognize our responsibility to shape the world of work ethically, inclusively, and sustainably.

1. Diverse Workforce

- Focus on fostering a positive, inclusive culture, providing equal opportunities and a supportive environment for all employees.
- 38% of our employees are women, reflecting our commitment to gender diversity.
- Our workforce comprises persons with disabilities (PWD), supporting inclusivity across all levels.

2. Job Discovery and Digitization:

- Thousands of job openings fulfilled monthly across various sectors.
- Using online digital portals to ensure a seamless job-matching & employment opportunities onboarding process.
- Digital attendance process for employees

3. Environmentally Conscious

Digital process has reduced the usage of paper, promoting eco-friendly practice in the company, effective waste management and contributing to the cause of clean environment, avoiding the usage of plastic, Energy saving practices, Usage of green and eco- friendly chemicals, Used / Old Uniform / Cloths discard process, Biodegradable bags in place of plastic bags, Save water and Awareness posters

4. Responsible Citizen:

- Upskilling youth in various 2-tier and 3- tier towns and villages for employment opportunities.
- Health camps and blood donation camps – conducted in local communities, promoting health awareness.

5. Trusted Institution:

Quality and Information Security Certifications

Kapston is ISO 9001:2015, ISO 45001:2018 and ISO 18788:2015 certified for quality management, information security and anti-bribery systems.

Robust Code of Conduct:

Zero complaints to ensure equity, data privacy, cyber security or human rights, demonstrating a culture of integrity and accountability.



CORPORATE SOCIAL RESPONSIBILITY

Creating Impact Beyond Business

At Kapston Services Limited, our purpose extends beyond business, we believe in making a meaningful impact on the lives of people and communities in need. During the year, we undertook socially responsible initiatives that reflect our deep commitment to human dignity, health, and social well-being.

As part of our continuous effort to support those in distress, we extended financial assistance to individuals from economically weaker backgrounds who suffered from severe burn injuries. In moments where hope was needed the most, Kapston stepped forward to offer help not just as a company, but as a compassionate force within the community.

We also conducted free medical camps for the public, where healthcare services and basic medical kits were provided at no cost. These camps were designed not only to offer access to primary health checks but also to create awareness about critical health issues, especially focusing on Type 1 diabetes in children. Through these initiatives, we aimed to foster early understanding, encourage proactive health habits, and empower families with essential knowledge to protect their loved ones.

At Kapston, CSR is an extension of our values. Whether it's supporting individuals in need or promoting public health awareness, we remain committed to creating real value and positive impact that goes beyond numbers and touches lives.



EMPLOYEE WELFARE & WELL-BEING INITIATIVES



At Kapston Services Limited, employee welfare goes beyond policy it's a priority embedded in our culture. We believe that a healthy, engaged, and empowered workforce is the foundation of our service excellence.


During the year, we organized several health-focused initiatives, including general health screenings, and cancer awareness and screening programs, ensuring early detection and preventive care for our employees across locations. These camps were well-received and reflected our proactive approach to well-being.



We also conducted POSH (Prevention of Sexual Harassment) training sessions, aimed at creating a safe and respectful workplace. In addition, we held R&R (Rewards and Recognition) meetings to celebrate outstanding performers, alongside sports activities that encouraged team bonding, fitness, and work-life balance.



These initiatives, combined with our ongoing welfare efforts, reaffirm our commitment to supporting employees not just as professionals, but as individuals. At Kapston, we continue to invest in a workplace where people feel safe, valued, and motivated to grow.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY OVERVIEW

Kapston Services Limited continues to cement its position as a leading provider of complete Human Capital Solutions in India. With a service portfolio spanning General Staffing, Security, Soft Services, Technical Services, IT Staffing, we provide end-to-end workforce and facility management solutions. Our sustained growth has been fueled by geographic expansion, diversification, and innovation. This report presents Kapston Management's strategic insight into the company's performance, market outlook, key risks & mitigation, and future direction, with a focus on operational excellence and sustainable value creation.

GLOBAL ECONOMY REPORT

The global economy in Financial Year 2025–26 is projected to grow at 3.1%, continuing its cautious recovery from recent geopolitical, macroeconomic, and climate-linked challenges. The easing of inflation in major economies and a shift towards accommodative monetary policy has restored investor and consumer confidence. However, this recovery is unbalanced. Advanced economies are expected to grow at a modest 1.6%, constrained by demographic shifts, supply chain re-calibration, and cautious fiscal spending. Meanwhile, emerging markets, particularly in Asia, remain global growth engines benefitting from industrial expansion, digital transformation, and improved consumption.

Trade diversification, the rise of green technology, and resilient infrastructure investment are shaping future economic priorities. Businesses worldwide are adapting to a new normal of hybrid work, energy transition, and AI-led productivity enhancements. Asian economies continue to outperform the global average with growth driven by robust domestic demand, industrial expansion and technological advancements.

INDIAN ECONOMY REPORT

India remains a beacon of growth in the global landscape, solidifying its position as one of the fastest- growing economies in the world. In FY 2025–26, India's GDP is projected to surpass $4.4 trillion, keeping it firmly on track toward the $5 trillion milestone. GDP growth is forecasted at more than 7%, underpinned by sustained domestic demand, robust infrastructure spending, and improved ease of doing business. Key drivers include:

- Strong performance across services and manufacturing.
- Continued push for digital public infrastructure and Make-in-India initiatives.
- Stable inflation maintained through calibrated RBI policy actions.
- Surge in FDI and private equity interest in sectors like logistics, clean energy, and fintech.

India's demographic dividend, combined with its vibrant startup ecosystem and structural reforms, places it at the heart of the next global economic shift. However, challenges around skill gaps, income disparity, and urban infrastructure must be addressed through inclusive and innovation-led policy frameworks. Investment in infrastructure continues to be a major driver of India's economic growth. Public and private sector investments in infrastructure have surged with significant projects in urban development, renewable energy and smart cities leading the way. The Central Government's ongoing reforms to improve the ease of doing business alongside a stable macroeconomic environment, have made India an attractive destination for investments.

As India strengthens its influence on the global stage, it is emerging as a pivotal force in shaping the future of the global economy not only by driving regional growth and stability but also by contributing to global solutions through innovation, digital leadership, make-in-India initiatives. With a thriving domestic market, a growing digital economy, and a robust infrastructure push, India is positioning itself as a hub for next-generation industries and sustainable development. Looking ahead, India is well-equipped to maintain its growth momentum and realize its $5 trillion economy vision. The convergence of technology adoption, policy stability, and inclusive development will be the cornerstones of India's continued ascent as a global economic powerhouse.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Staffing Services

India's staffing services sector continues to grow at an impressive pace, with the organized staffing market projected to maintain a CAGR of 13.2%. This growth is driven by structural economic changes, increased formalization of employment, and the rising need for flexible workforce solutions across industries such as e-com/Q-com, healthcare, logistics, manufacturing, retail, and BFSI/NBFC services. Staffing companies are rapidly evolving into tech-enabled platforms help organizations in precise candidate matching, improved hiring speed, and reduced onboarding costs. Meanwhile, the rise of the gig economy and freelance platforms in white-collar and skilled services is expanding the workforce supply chain beyond traditional boundaries.

While the IT staffing segment faced a slowdown due to global economic uncertainties and reduced discretionary tech spending from Western economies, the industry is now witnessing a demand across sectors. Additionally, demand for niche tech talent in areas such as generative AI, blockchain, and digital finance is reshaping the recruitment landscape. However, the rapid digitalization is also pushing traditional staffing firms to reinvent their business models. Success in this sector will now depend on agility, scalability, tech-integration, and the ability to offer end-to-end workforce lifecycle management solutions.

Facility Management Services (FMS)

The Integrated Facility Management (IFM) industry in India is undergoing a strategic transformation, evolving from a cost control utility service to a strategic enabler of workplace efficiency, sustainability, and employee experience. The FM industry is projected to grow at a CAGR of 7.37% by 2030, Key growth drivers including thee rise of smart and green buildings across metro and Tier 1 cities. ESG-driven operations, mandating energy-efficient, zero-carbon, and health-compliant infrastructure. Integration of IoT, Building Management Systems (BMS), AI/ML, and robotics for predictive maintenance and real-time operations. Last but not the least Increased demand from SEZs, data centers, retail chains, and hospitality segments for integrated, multi-location service delivery.

Workplace dynamics have also shifted dramatically with hybrid and flexible work models, leading to demand for agile space management, workplace experience platforms, and tech-driven compliance solutions. Global clients increasingly prefer end-to-end FM partners capable of providing comprehensive services covering housekeeping, MEP, horticulture, and utility management under a single SLA-driven contract.

Security Services

India's private security industry, already the largest in the world with over 11 million guards, continues to expand at a steady CAGR of 11.3%, buoyed by increasing demand across commercial, industrial, residential, and infrastructure sectors. New trends defining the future of security services include: Deployment of AI-powered surveillance, facial recognition, drones, and integrated control rooms. Increasing need for specialized security for sectors like logistics hubs, SEZs, manufacturing plants, gated communities, and critical infrastructure.

Awareness is growing around data privacy, and cyber-physical security convergence. Client expectations are evolving from simple manpower-based guarding to outcome-based and technology-integrated solutions. There is a strong push towards skill standardization, professional training, and adherence to industy norms. Security companies are also investing in incident response systems, and real-time patrol analytics, offering clients better visibility and risk mitigation. However, sustaining competitive advantage will require a balance between technology adoption, workforce welfare, and compliance enforcement. Organized security service providers with capabilities in compliance, technology, and training are expected to lead the consolidation phase over the coming years.

OPPORTUNITIES AND THREATS PRODUCT – WISE

TYPE OF SERVICE	OPPORTUNITIES	THREATS
Staffing Services	India's staffing services sector continues to grow at an impressive pace, with the organized staffing market projected to maintain a CAGR of 13.2%. Gig economy growth (potential to engage 25-30% of India's workforce). Increased demand in e-com/Qcom, healthcare, BFSI / NBFC, and logistics. Regulatory reforms encouraging formal employment.	Growing competition from digital-only staffing platforms. 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. Talent shortage in emerging skills like AI, cybersecurity, and green tech. Increased automation in recruitment may reduce traditional service margins.
Facility Management Services	India's rapid urbanization, coupled with a booming construction sector and the growing popularity of green buildings, drives demand for facility management services. Demand for ESG-compliant buildings and FM integration. Urban infrastructure development, smart cities, and REIT expansion. Scope for comprehensive FM and CRE services. Growing demand for hospitality-style workplace services. The FM industry is gradually adopting automated service delivery and technology-driven platforms.	The FM market in India is highly fragmented with a mix of organized and unorganized players. High attrition and skill deficit in technical services. Price pressure due to unorganized players. Rapid technology disruptioning threaten traditional FM models.
Security Services	India's private security industry, already the largest in the world with over 11 million guards, continues to expand at a steady CAGR of 11.3%. Rising demand from critical infrastructure and public-private projects. Deployment of tech-based surveillance systems. Scope for training-led differentiation. 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 AI-powered surveillance, biometric access control and integrated security platforms.	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. Wage parity and welfare compliance challenges are another areas of improvements. Market saturation and pricing pressure and Need for constant upskilling and reskilling to meet evolving threats.

SEGMENT - WISE/PRODUCT - WISE PERFORMANCE - 2024-25

Staffing Services

India's organized staffing industry maintained strong momentum in FY 2024–25, with an estimated growth rate of 13.2%, reflecting continued demand for flexible, skilled, and tech-enabled workforce solutions. The number of flexi workers employed nationwide crossed 2 million, with the contract workforce becoming a strategic asset across several verticals. Key Performance Trends:

- **Sectoral Demand:** FMCG, E-commerce, Healthcare, BFSI/NBFC, Manufacturing, and e-Com/Q-Com emerged as top demand drivers for contract staffing.
- **Digital Transformation:** Staffing operations further embraced automation, AI-enabled screening, e-onboarding, and performance analytics with real-time tracking of productivity & attendance.
- **Rise of Skilled Staffing:** Beyond general staffing, there is a significant increase in demand for semi-skilled and technically trained personnel across logistics, EV maintenance, healthcare support, and retail.
- **Gig & Platform Work:** Platform-based staffing saw wider adoption, especially for last-mile delivery, on-demand technical services, and freelance roles in Tier 2/3 towns.

Facility Management Services (FMS)

The FM segment saw accelerated evolution in FY 2024–25, with rising client expectations, ESG mandates, and technology integration driving large-scale transformation. The market crossed new milestones in terms of contract value and scope of services offered. Key Performance Trends:

- **Integrated FM Contracts:** Clients across IT Parks, Hospitals, Retail Chains, Airports, and Real Estate REITs preferred single-window, integrated FM service providers.
- **Smart & Sustainable Operations:** A significant portion of new contracts required smart sensors, energy monitoring systems, and predictive maintenance models.
- **Green Building Focus:** Compliance with LEED, IGBC, and other green certification norms became a standard requirement.
- **Digital Dashboards:** Clients increasingly demanded centralized FM dashboards to track asset health, workforce deployment, energy usage, and ticket closures.
- **Workplace Experience Services:** The scope of FM widened to include hospitality services, concierge, front-office automation, and wellness initiatives especially in corporate and high-end commercial spaces.

Security Services

The private security sector evolved further in FY 2024–25 as demand increased for tech-assisted risk management solutions. Kapston leveraged this opportunity to upscale its service portfolio and drive greater value for clients. Key Performance Trends:

- **Sectoral Growth:** Security demand grew in Logistics Hubs, Residential Townships, Educational Institutions, and Event Management Zones. Specialized offerings like VIP protection, female security workforce, and access control integration saw strong traction.
- **Tech-Enabled Security:** AI-based video surveillance, facial recognition systems, and real-time patrolling apps are the requirements from clients.
- **Workforce Upskilling & Training:** To address the evolving threat landscape and changing client expectations, the need of the hour is upskilling & reskilling.
- **Gender Diversity & Inclusion:** There is an increased focus on deploying trained women security professionals in malls, corporate parks, and healthcare facilities where gender-sensitive and customer-centric guarding is a priority.
- **Smart Uniforms & Mobility:** In select sites, guards were equipped with mobile handsets for real-time reporting, and quick-access tools to respond to alarms or medical emergencies.

Security clients sought partners who could combine manpower strength with surveillance capability, regulatory compliance and tech innovation.

RISKS AND CONCERNS

Staffing Services

The staffing industry is operating in a rapidly evolving landscape, where technological disruption, client expectations, and geopolitical volatility continue to reshape demand-supply dynamics. Key Risks:

- **Talent Shortage in Emerging Skills:** The exponential rise in demand for digital talent in areas such as Generative AI, cloud-native development, cyber security, and industry-specific tech solutions has created a significant talent mismatch.
- **Global Macroeconomic Volatility:** The continued slowdown in the Global advanced economies has created a "cautious hiring" sentiment in IT and consulting sectors. This directly impacts IT staffing demand.
- **Retention and Candidate Dropouts:** Increased options for candidates in gig and platform-based employment models have led to high dropout rates.
- **Digital Disruption & Disintermediation:** Direct-to-talent platforms and AI-powered hiring marketplaces are disrupting traditional staffing business models.
- **Mitigation Strategies:** Focus on sectoral diversification (BFSI, logistics, healthcare, e-commerce) to de-risk reliance on IT. Adopt talent engagement platforms to manage pipeline visibility and reduce hiring friction.

Facility Management Services (FMS)

India's facility management sector is under pressure to meet rising client expectations around compliance, ESG alignment, and technology integration, while managing its own internal challenges around labor and skill quality. Key Risks:

- **Scarcity of Technical Talent:** There is a persistent shortfall of skilled professionals, especially in MEP services, HVAC operations, automation systems, and green building technologies. This limits scalability and SLA adherence in large integrated contracts.
- **High Attrition in Front-Line Workforce:** The FM industry continues to rely on semi-skilled/unskilled labor, which faces high attrition due to wage disparity, limited career progression, and workplace migration patterns.
- **Fragmented Market & Price War:** Unorganized players offering low-cost services continue to disrupt pricing models, especially in single-service contracts. This threatens margins and dilutes service quality benchmarks.

Security Services

The security services industry in India, while growing, is increasingly exposed to risks linked to human capital readiness and the rise of technology-led security models. Key Risks:

- **Skill Gaps and Lack of Standardization:** Despite government efforts, a large portion of security personnel still lack formal PSARA-certified training, first responder skills, or exposure to tech-enabled surveillance tools.
- **Tech Adoption Lag:** Many mid-sized and traditional security firms are lagging in implementing central monitoring systems, real-time alert platforms, or drone-based patrolling, putting them at a disadvantage in high-value contracts.
- **High Attrition in Urban Deployment:** City-based guards face burnout, cost-of-living pressures, leading to high attrition. Replacements often lack site familiarity, reducing security efficacy.

INDUSTRY OUTLOOK

Staffing Services

India's organized staffing industry is entering a phase of strategic maturity and diversification, driven by a combination of demographic advantage, policy support, and digital disruption. The market is expected to grow steadily at a CAGR of 13.2% the next five years. Key Trends Shaping the Outlook:

- **Sectoral Expansion:** Flexi-staffing is no longer limited to logistics and e-commerce. Growth is now evident across manufacturing, retail, healthcare, fintech, tourism, EV services, and agri-logistics.
- **Digitalization & Automation:** Leading staffing players are embracing end-to-end digitization including AI-powered candidate screening, chatbot-driven interviews, digital onboarding, and workforce analytics dashboards.
- **Gig Economy Acceleration:** The gig economy, already gaining traction in urban India, is expanding into white-collar and semi-skilled domains. India is expected to have over 20 million gig workers by 2030, contributing significantly to GDP.
- **Custom Workforce Solutions:** Demand for project-based, skill-certified, and location-flexible manpower is rising. Staffing firms are evolving from transactional hiring agencies into workforce strategy partners.

Facility Management Services (FMS)

India's FM industry is entering a period of value-driven consolidation and transformation. From being seen as a cost-control utility, FMS has become a strategic enabler for sustainability, compliance, and workforce well-being. Key Trends Driving Growth:

- **Smart Buildings & Tech Adoption:** With the proliferation of Grade A commercial spaces, SEZs, and tech parks, clients expect integration of IoT, BMS, energy dashboards, and touchless facility access.
- **ESG-Linked Contracts:** More than 70% of large enterprise clients are now linking FM outcomes to green building standards (LEED, IGBC) and carbon reduction targets.
- **Urbanization & Infrastructure Boom:** Tier 2 and Tier 3 cities are witnessing growth in data centers, logistics parks, educational institutions, and hospitals, all of which require professionally managed facilities.
- **People + Technology Model:** FM companies are shifting from manpower-based deployment to a "people + platform" approach using mobile apps, AI chatbots, and real-time dashboards to track performance, uptime, and issue resolution.

Security Services

The Indian private security industry continues to evolve into a hybrid model of manpower and machine, offering integrated physical and digital protection solutions. With over 11 million security personnel, the sector plays a crucial role in safeguarding India's public and private infrastructure. Key Outlook Highlights:

- **Integrated Risk Management:** Clients now demand security services that blend surveillance systems, incident response automation, AI-powered analytics, and trained guards. Real-time monitoring and command center integration are becoming standard.
- **Sectoral Demand Expansion:** Security services are expanding beyond corporates into gated communities, industrial corridors, data centers, malls, schools, and event venues. Risk assessments, evacuation drills, and specialized response teams are part of standard service portfolios.
- **Cyber-Physical Security Convergence:** As buildings become smarter, the distinction between physical and digital security is blurring. Clients expect guards to be familiar with cyber safety protocols.
- **Professional Training & Women Guard Deployment:** There is rising demand for guards trained in customer service, emergency response, tech-enabled patrolling, and soft skill management especially in hospitality, malls, and public-facing environments. Deployment of female guards has increased in metros, airports, and schools.

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.

For the financial year 2024-25, the management of Kapston Services Limited continued to uphold a strong and comprehensive framework of internal financial controls, designed to ensure the smooth, efficient, and compliant operation of its business activities. These controls are structured to safeguard the company's assets, prevent and detect fraud and errors, and ensure the accuracy and completeness of its financial records.

The internal control system facilitates the timely preparation of reliable financial disclosures, reinforcing transparency in reporting and ensuring adherence to all applicable legal and regulatory requirements. A well-defined set of policies and procedures has been implemented to guide the orderly and consistent conduct of business operations, aligning with the company's standards and providing clarity on key operational processes.

Kapston Services Limited maintains detailed and accurate accounting records that faithfully capture all financial transactions. This supports the preparation of financial statements that present a true and fair view of the company's financial position and performance. The internal controls are aligned with the company's objective of ensuring the reliability, accuracy, and timeliness of all financial disclosures, thereby reinforcing stakeholder trust and fulfilling regulatory obligations.

The internal control system at Kapston Services Limited is commensurate with the nature, size, and complexity of its operations. It provides reasonable assurance that the company's goals particularly those related to operational efficiency, financial reporting reliability, and legal and regulatory compliance are being effectively met. Under the guidance of the Audit Committee, the internal audit function continues to deliver independent assurance on the adequacy and effectiveness of the control framework and the management of key business risks.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Growth in Workforce: As of March 2025 the total number of personnel, including trainees and apprentices are more than 28,000. Which is significantly more than early year personnel recorded in March 2024. This growth reflects the company's expanding operations and its workforce to meet increasing business demands. Also the number of back office staff was 372 as of March 2025, showing an increase from 335 in March 2024. 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	2024-25	2023-24
Revenue from operations	68,870.17	52,008.06
EBITDA	3,175.04	2,413.99
Less: Finance Costs	1,221.55	1,059.79
Less: Depreciation and amortization expenses	449.47	361.71
Profit before prior period items	1,504.02	992.49
Prior period items	0	
Profit before tax	1,504.02	992.49
Less: Current Tax	0	0
Deferred Tax-	-279.36	-264.58
Profit available for appropriations/Loss	1,783.38	1,257.07
Basic Earnings per Share (Rs.)	8.79	6.20
Diluted Earnings per Share (Rs.)	8.79	6.20
Paid up share capital (Face value of INR 5 each)	**1,014.41**	**1,014.41**

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue Growth: The company achieved a Excellent revenue growth of 32.26%, reaching INR 68,951.64 Lakhs in FY 2024-25 compared to the previous financial year. This significant increase in revenue reflects the company's continued operational performance and its ability to capitalize on growth opportunities across various business segments.

EBITDA: The Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by 32%, rising from INR 2,413.99 Lakhs in FY 2023-24 to INR 3,175.04 Lakhs in FY 2024-25. 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 1,221.55 Lakhs from INR 1,059.79Lakhs, 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 increased by INR 87.76 Lakhs on account of management estimates of the future useful lives of certain class of property, plant and equipment .

Taxation: As per Section 80JJAA of the Income Tax Act, 1961, the company has recognized a Deferred Tax Asset due to timing differences between the Income Tax Act and the Companies Act. As a result, the company recorded a tax income of INR 279.36 Lakhs in FY 2024-25, compared to a tax income of INR 264.58 Lakhs in FY 2023-24.

The company's financial performance in FY 2024-25 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 2024-2025

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 2024-2025:

Particulars	2024-25	2023-24
Debtors Turnover (No. of Times)	4.74	4.50
Inventory Turnover (No. of Times)	1.57	1.79
Interest Coverage Ratio (No. of Times)	2.23	2.02
Current Ratio (No. of Times)	1.36	1.40
Debt Equity Ratio	1.81	1.40
Operating Profit Margin (%)	3.96	3.95
Net Profit Margin (%)	2.59	2.42
Return on Net Worth (%)	22.23	19.30

BOARD'S REPORT

Dear Members,

The Board of Directors ("Board") of Kapston Services Limited ("Kapston" or "Company") have immense pleasure in presenting the Seventeenth Annual Report on the business and operations of your company together with the Audited (Standalone & Consolidated) Financial Statements for the financial year ended March 31, 2025. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL HIGHLIGHTS

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

Particulars	(INR in Lakhs, except per equity share data)			
	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	6,8943.16		68,870.17	52,008.06
EBITDA	3,175.01		3,175.04	2,413.99
Less: Finance Costs	1,221.58		1,221.55	1,059.79
Less: Depreciation and amortization expenses	449.47		449.47	361.71
Profit before prior period items	1,503.95		1,504.02	992.49
Prior period items	–		–	–
Profit before tax	1,503.95	NA*	1,504.02	992.49
Less: Current Tax	0.21		–	–
Deferred Tax	(279.90)		(279.36)	(264.58)
Profit Available for appropriations/Loss	1,783.6,5		1,783.38	1,257.07
Basic Earnings per Share (Rs.)	8.79		8.79	6.20/12.39**
Diluted Earnings per Share (Rs.)	8.79		8.79	6.20/12.39**
Paid up share capital (face value of INR 5 each)	**1,014.41**		**1,014.41**	**1,014.41**

A detailed performance analysis on various segments, business and operations were provided in the Management Discussion and Analysis Report which is form part of 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.

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*As the Company has incorporated it's wholly owned subsidiaries during the financial year 2024–25, the consolidated financial statements for the financial year 2023–24 are not applicable."

** Previous year figures have been regrouped/rearranged wherever necessary.

Standalone

The Company recorded a total turnover including other income at INR 68,951.64 Lakhs (Previous Year INR 52,132.91 Lakhs) up by 32.26%; The Profit before Tax stood at INR 1,504.02 Lakhs (Previous year INR 992.49 Lakhs) up by 51.54%; and the Net Profit after Tax and other comprehensive income at INR 1,729.95Lakhs (Previous year INR 1,291.36 Lakhs) up by 33.96%.

Consolidated

The Company recorded a total turnover including other income at INR 69,023.18 Lakhs (Previous Year INR 52,132.91 Lakhs) up by 32.40%; The Profit before Tax stood at INR 1,503.95 Lakhs (Previous year INR 992.49 Lakhs) up by 51.53%; and the Net Profit after Tax and other comprehensive income at INR 1,730.23Lakhs (Previous year INR 1,291.36 Lakhs) up by 33.99%.

3. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2025, the Company has Two (2) Wholly Owned Subsidiaries. There are no Joint Ventures or Associate Companies within the meaning of the Companies Act, 2013 ("the Act"). There has been no material change in the nature of the business of the subsidiaries. Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries / associates / Joint Ventures of the Company in **Form AOC-1**, is enclosed as **ANNEXURE-I** to this report.

4. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and as per the provisions of Section 129(3) of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Further, pursuant to the provisions of Section 136 of the Act, the financial statements including the consolidated financial statements, along with the relevant document's forms part of this annual report and are available on the website of the Company www.kapstonservices.com. Any member desirous of inspecting or obtaining a copy of the said financial statements may write to the Company Secretary of the Company at email ID: cs@kapstonservices.com.

5. CHANGE IN NATURE OF BUSINESS

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

6. DIVIDEND

The Board of Directors of the Company has not recommended Dividend for the financial year ended March 31, 2025.

7. LISTING OF EQUITY SHARES

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

The company has paid the listing fee for the financial year 2024-25.

8. TRANSFER TO RESERVES

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

9. 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.

10. SHARE CAPITAL

During the year under review, shareholders have passed the ordinary resolution through postal ballot by remote e-voting dated July 03, 2024 for sub-division of 1 (One) equity share of ₹10/- (Rupees Ten) each into 2 (Two) equity shares of ₹5/- (Rupees Five) each.

Consequently, as on March 31, 2025, the Authorized Share Capital of the Company is INR 11,50,00,000 /- (Rupees Eleven Crores and Fifty Lakhs only) divided into 2,30,00,000 (Two Crore Thirty Lakhs only) equity shares of INR 5/- (Rupees Five only) each and Paid-up Equity Share Capital of the Company INR 10,14,40,610/- (Ten Crore Fourteen Lakhs Forty Thousand Six Hundred and Ten Rupees Only) divided into 2,02,88,122 (Two Crores two lakhs eighty eight thousand one hundred and twenty two) equity shares of INR 5/- (Rupees Five only) each.

During the year under review, your 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.

11. EMPLOYEES STOCK OPTION SCHEME

There is no employees stock option scheme being implemented by the Company.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments made during the financial year ended March 31, 2025, covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, are given in the notes to the Financial Statements.

13. 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.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the Year under review, all contracts / arrangements / transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. The particulars of such contracts or arrangements with related parties are in the form of as **Form AOC-2** as enclosed in "**ANNEXURE-II**" to this report. Further details of related party transactions are provided in Notes to Financial Statements (both Standalone and Consolidated).

The policy on dealing with RPT as approved by the Board is uploaded on the Company's website at: https://kapstonservices.com/investors/#policies

15. 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.

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

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

17. 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 made 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://kapstonservices.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.

The present composition of ICC is as under

- Ms. Reena Rekulgikar - Presiding Officer
- Ms. Triveni Banda - Member
- Ms. Nitya Menon – Member
- Mr. Vishnu Mora- Member
- Ms. Renuka Chadalawada – NGO

The following is a summary of sexual harassment complaints received and disposed off during the year:

S. No	Particulars	Status of the No. of complaints received and disposed of
1	Number of complaints on Sexual harassment received in the year	Nil
2	Number of Complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programs for its employees.
5	Nature of action taken by the employer or district officer	Not Applicable

18. MEETINGS OF THE BOARD

During the year under review, 6 (Six) Meetings of the Board were held as per the Standards as outlined in the Secretarial Standard – I. The maximum gap between two consecutive board meetings was within the period as prescribed under the provisions of the Companies Act, 2013.

Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of this Annual Report.

19. COMMITTEES OF THE BOARD

As of March 31, 2025, the Board has Four (4) committees and has constituted the following committees, under the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, which are in place and discharging their functions as per terms of reference entrusted by the Board from time to time:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

The composition, attendance, powers, and roles of the Committees are included in the Corporate Governance Report which forms part of this Annual Report. During the year, all recommendations of the Committees were accepted by the Board

20. CORPORATE GOVERNANCE

Your company practices the best corporate governance procedures to uphold the true spirit of law, integrity and transparency by adhering to our core values with an objective of maximizing stakeholders value. The Report on Corporate Governance, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **ANNEXURE-III,** and a certificate obtained from the Practicing Company Secretary confirming compliance with Corporate Governance requirements as provided in the aforesaid Regulations is annexed to this report.

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

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

Criteria for selection of Non-Executive Directors

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

22. BOARD EVALUATION AND ASSESSMENT

The Board of Directors have carried out an annual performance evaluation of Individual Directors including the chairman of the Company, the Board as a whole and its committees thereof, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Performance evaluation criteria is determined by the Nomination and Remuneration Committee.
- A structured questionnaire was prepared to evaluate the performance after seeking inputs from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance.
- A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution at meetings, independence, safeguarding the interest of the Company and its minority shareholders, etc.
- The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated), after seeking inputs from all the directors on the effectiveness and contribution of the Independent Directors. The Process and criteria evaluation of Performance of Independent Directors is explained in the Corporate Governance report which forms part of the Annual Report.
- The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as the composition of Committees, effectiveness of Committee meetings, etc.
- The Board reviewed the performance of individual Directors based on the contributions made during the Board and Committee meetings.

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

23. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The Familiarisation Program was conducted with an objective to provide an opportunity to familiarise the independent directors related to the nature of the industry, the Business model of the company, and the roles, rights, and responsibilities of independent directors. They have the full opportunity to interact with Senior Management personnel and Heads of the department and are provided with all documents as required and sought by them to enable them to have a good understanding.

The details of such Familiarisation Program and other disclosures as specified under the Listing regulations are available on the Company's website at **https://kapstonservices.com/investors/#policies.**

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As of March 31, 2025, the Board comprises Six (06) Directors viz., Three (03) Independent Directors including One Woman Independent Director One (01) Non-Executive Non-Independent Director, and Two (02) Executive Directors.

Retirement by Rotation

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

Changes in Directors

Reappointment of Independent Directors

During the period under review, based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company, the members have reappointed **Mr. Nageswara Rao Koripalli (DIN: 08734786)** as an Independent director of the company for the second term of 5 consecutive years with effect from April 29, 2025 through Postal Ballot.

Appointment and Resignation of KMP

During the year under review, **Mr. Srikanth Kodali, Managing Director, Dr. Chereddi Ramachandra Naidu, Executive Chairman, Mr. Kapil Sood, CFO and Ms. Triveni Banda, Company Secretary** are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014.

During the year under review, there are no changes in the Key Managerial Personnel of the Company. However, based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company, the members have reappointed **Dr. Chereddi Ramachandra Naidu** as an Executive Chairman of the Company.

25. INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors as required under section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations stating that they meet the criteria of independence. There has been no change in the circumstances affecting their status as independent directors of the Company.

The Board has reviewed the integrity, expertise, experience, and requisite proficiency of the independent directors and confirmed that the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management and the same is given in the Corporate Governance Report. As prescribed under Listing Regulations and according to Section 149(6) of the Act, the particulars of Non Executive and Independent Directors (as of the date of signing this report) are as under:

1. Mr. Nageswara Rao Koripalli
2. Mr. Naveen Nandigam
3. Ms. Vanitha Nagulavari

26. 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, 2025, 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, 2025 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.

27. 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 can be accessed at **https://kapstonservices.com/investors/#annual-return-and-notice**

28. 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**

During the financial year 2024-25, the Company has spent INR 8.84 Lakhs towards CSR expenditure. The Company has contributed CSR funds that were aligned with Schedule VII of the Companies Act, 2013.

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 enclosed herewith as **ANNEXURE-IV** to the Board's Report.

29. PARTICULARS OF EMPLOYEES

The Company is required to give disclosures under Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is enclosed as **'ANNEXURE-V'** and forms an integral part of this Report.

The statement containing the details of top 10 (ten)employees on roll and particulars of employees employed throughout the year whose remuneration is more than Rs. 102 Lakhs or more per annum and employees employed part-time and in receipt of remuneration of Rs. 85 Lakhs or more per annum as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is available on the website of the Company at www.kapstonservices.com. Members interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the Members at the Registered Office of the Company during business

30. 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.

31. AUDITORS AND AUDITORS' REPORT

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 2024-25 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.

SECRETARIAL AUDITOR

M/s VCAN & Associates, Company Secretaries were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the year 2024-25 and have submitted the Secretarial Audit Report for the year ending March 31, 2025 which is enclosed to this Board's Report as **ANNEXURE-VI**.

As per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in addition to the abovementioned 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 the M/s VCAN & Associates, Company Secretaries, which is enclosed to this Board's Report as **ANNEXURE- VIA**

COST AUDIT

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.

INTERNAL AUDITOR

The Board based on the recommendation of the Audit Committee, has appointed TAN & Associates, Chartered Accountant (Firm Registration No. 024082S) as the Internal Auditors for the financial year 2024-25. On a quarterly basis, Internal Auditors give presentations and provide a report to the Audit Committee of the Company.

32. POSTAL BALLOT

The company has convened two general meetings through postal ballot. The details have been mentioned in the corporate governance report .

33. 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.

34. 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.

35. VIGIL MECHANISM

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

The details of the Policy is also available on the website of the Company
https://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.

The Policy also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee.

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

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

37. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

38. 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").

39. 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

40. COMPLIANCE TO THE PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961

Your Company complies with the provisions of the Maternity Benefit Act, 1961, extending all statutory benefits to eligible women employees, including paid maternity leave, continuity of salary and service during the leave period and post-maternity support such as nursing breaks and flexible return-to-workoptions, as applicable. Your company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

41. GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance by allowing paperless compliance by the Companies and permitting the service of Annual Reports and other documents to the shareholders through electronic mode subject to certain conditions and the Company continues to send Annual Reports and other communications in electronic mode to those members who have registered their email IDs with their respective depositories. Members may note that Annual Reports and other communications are also made available on the Company's website **https://www.kapstonservices.com** and websites of the Stock Exchanges i.e., National Stock Exchange of India Limited.

42. HUMAN RESOURCES

The Company considers its Human Resources as the key to achieving its objectives. Our HR and Operations Department works closely with Senior Management to devise strategies that attract talent and enhance capabilities. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. It is the unwavering commitment of our employees that propels us forward and enables us to fulfil the Company's vision. Your Company appreciates the contribution of its dedicated employees. We believe that our employees are our most valuable asset. Your Company is also focussed on the overall well-being of its employees. We are committed to creating a positive work environment that prioritizes the health, safety, career growth and development of our employees. The Company took various initiatives to keep the employees productive and engaged with various employee training and awareness programs. we strengthen our collective capabilities and pave the way for continued success

43. OTHER DISCLOSURES

- Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:
- 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**
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- Issue of equity shares with differential voting rights as to dividend, voting, or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

44. 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
Executive Chairman
DIN: 02096757

Place: Hyderabad
Date: August 04, 2025

ANNEXURE- I

Form No. AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(Rs. in Lakhs)

1	Name of the subsidiary	Kapston Manpower Services Private Limited	Kapston Security Services Private Limited
2	Date since it is subsidiary	July 27, 2024	September 16, 2024
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
5	Share capital (₹ in lakhs)	1.00	1.00
6	Reserves & surplus	1.17	-0.90
7	Total assets	48.13	0.91
8	Total Liabilities	48.13	0.91
9	Investments	0	0
10	Revenue	73.43	0
11	Profit before taxation	0.84	-0.90
12	Provision for taxation	-0.33	0
13	Profit after taxation	1.17	-0.90
14	Proposed Dividend	0	0
15	**% of shareholding**	**100%**	**100%**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company has no Associate Company or Joint Venture.

For and on behalf of the Board
Sd/-
Dr. Chereddi Ramachandra Naidu
Chairman
(DIN 02096757)

Place: Hyderabad
Date: August 4, 2025

ANNEXURE- II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. There are no contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.

2. Contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

(Rs. in Lakhs)

S. No	Name(s) of the related party and nature of relationship*	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Kapston Manpower Services Private Limited	Advance for Expenses	Ongoing	Advance for Expenses	08-02-2025	27.67
2	Kapston Manpower Services Private Limited	Corporate Guarantee	Ongoing	Corporate Guarantee	08-02-2025	1000.00
3	Kapston Manpower Services Private Limited	GST on Commission on Corporate Guarantee	Ongoing	GST on Commission on Corporate Guarantee	08-02-2025	1.80
4	Kapston security Services Private Limited	Advance for Expenses	Ongoing	Advance for Expenses	08-02-2025	0.31

***Nature of Relationship:** Kapston Manpower Services Private Limited & Kapston Security Services Private Limited are the wholly owned subsidiaries of Kapston Services Limited.

For and on behalf of the Board
Sd/-
Dr. Chereddi Ramachandra Naidu
Chairman
(DIN 02096757)

Place: Hyderabad
Date: August 4, 2025

ANNEXURE- III

CORPORATE GOVERNANCE REPORT

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

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2025, 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

1. 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.

2. 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 March 31, 2025 is as under:

As on March 31, 2025, the Company has 6 (six) Directors. Out of 6, 3 (three) (i.e. 50%) are Independent, Non-Executive, 1 (One) is Non-Independent, Non-Executive and 2 (two) are Executive Directors.

None of the Directors held Directorship in more than 7 (seven) listed companies. Further, none of the Independent Directors of the Company served as an Independent Directors 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 held 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 ten committees or chairperson of more than 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, 2025:

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 thereunder and as required under business exigencies. The Board met Six (6) 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: 6

1. May 09, 2024
2. May 29, 2024
3. July 19, 2024
4. August 10, 2024
5. November 08, 2024
6. February 08, 2025

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 2024-2025 and at the last Annual General Meeting:

Sr. No.	Name of the Director	Category	No of Board Meetings during the Year 2024-2025		Attendance at AGM held on September 27, 2024	[1]No. of Director -ships held in other Companies	[2]No. of Committee positions held		No of shares held in the Company	Directorship in other Listed Companies
			Held	Attended			Chairman ship	Member ship		
1	Dr. Chereddi Ramachandra Naidu	Chairman, ED (Non-Promoter)	6	6	Yes	2	0	0	12,82,400	-
2	Mr. Srikanth Kodali	MD (Promoter)	6	6	Yes	2	0	0	1,44,07,386	-
3	Ms. Doddapaneni Kanti Kiran	NED	6	6	Yes	NIL	0	0	3,76,004	-
4.	Mr. Naveen Nandigam	NED (I)	6	5	Yes	0	0	0	5,600	
5	Ms. Vanitha Nagulavari	NED (I)	6	6	Yes	1	0	0	32,400	Genesis IBRC India Limited
6	Mr. Nageswara Rao Koripalli	NED (I)	6	6	Yes	NIL	0	0	12,000	-

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

Except the Mr. Srikanth Kodali and Ms. 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 Regulation 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.

Name of Director	Designation	Years of experience	Field of expertise
Dr. Chereddi Ramachandra Naidu	Chairman, Executive	48 years	Business and Administration
Mr. Srikanth Kodali	Managing Director - Promoter	23 years	Business, Administration. Human Resource Management and Strategic Business Planner.
Mr. NaveenNandigam	Independent Director	35 years	Financial, Audit and Accounting
Ms. Vanitha Nagulavari	Independent Director	16 years	Legal, Secretarial and Compliance.
Ms. Kanti Kiran Doddapaneni	Non-Executive Director	17 years	Human Resource Management
Mr. Nageswara Rao Koripalli	Independent Director	37 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 thereunder. 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.

Mr. Nageswara Rao Koripalli was re-appointed as an Independent Director of the company for a second term of Five consecutive years with effect from April 29, 2025 through Postal Ballot.

(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, two separate meetings of the Independent Directors were held on February 08, 2025, March 26, 2025, 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.

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/wp-content/uploads/2025/05/familiarisation-2025.pdf**

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.

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:

(i) Audit Committee

(ii) Nomination and Remuneration Committee

(iii) Stakeholders Relationship Committee

(iv) Corporate Social Responsibility Committee

3. 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.

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

Composition:

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

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

Meetings and attendance during the Financial Year 2024-25

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 09, 2024	3
August 10, 2024	3
November 08, 2024	3
February 08, 2025	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.

4. 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, One (1) meeting of Nomination and Remuneration Committee was conducted.

The composition of the Committee and attendance details at meeting held on 10-08-2024

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

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 Mr. Nageswar Rao Koripalli for another term of Five Consecutive Years.

Performance evaluation was done by the respective bodies on February 08, 2025. 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, 2025 is as follows:

Name of the Director	Designation	Sitting fees paid (Amount in INR)	No. of shares held on 31-03-2025
Mr. Naveen Nandigam	Independent Director	2,00,000	5,600
Ms. Vanitha Nagulavari	Independent Director	2,00,000	32,400
Ms. Kanti Kiran Doddapaneni	Non- Executive Director	Nil	3,76,004
Mr. Nageswara Rao Koripalli	Independent Director	2,00,000	12,000

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.

5. Stakeholders' Relationship Committee (SRC)

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

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

Company Secretary of the Company acts as Secretary to the Committee

During the year under review, the meeting of Stakeholder Relationship Committee was held on February 08, 2025, and all the members of the Committee have attended the meeting.

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

Name of the Non-Executive Director heading the committee	**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 2024-25	Nil
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

5A. RISK MANAGEMENT COMMITTEE: NA

5B. Corporate Social Responsibility Committee (CSRC).

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

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

Company Secretary of the Company act as Secretary to the Committee

Meetings and attendance during the year 2024-25

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
August 10, 2024	3
November 08, 2024	3

F. 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.

6. GENERAL BODY MEETINGS

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

Financial Year	Date Time	Venue	Special Resolution Passed
2023-24	27th September, 2024. 04.00 P.M	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	1) Re-appointment of Dr. Chereddi Ramachandra Naidu as an Executive Chairman of the Company. 2) Revision in overall borrowing Limits of the Company. 3) Creation of Charge / Mortgage on the assets of the Company.
2022-23	25th September 2023, 04.00 P.M	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	1) Re-appointment of Mrs. 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, 3.00 P.M	Plot No 75, Kavuri Hills, Madhapur, Hyderabad, Telangana-500034	No Special Resolution was passed during the said AGM

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

Financial year ended	Date	Venue	Time	Special Resolution passed
2023-24	No General Meetings other than Annual General Meeting			
2022-23	No General Meetings other than Annual General Meeting			
2021-22	No General Meetings 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 of Declaration Results</th><th>Person who conducted the Postal ballot Exercise</th><th>Procedure for Postal ballot</th><th>Whether any Special Resolution was proposed and Passed through postal Ballot – details of voting pattern</th></tr>
<tr><td>2023-24</td><td>July 03, 2024</td><td>CS D S Rao, Practicing Company Secretary, (CP No. 14487)</td><td>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>Sub division of face value of Equity shares from Rs. 10 to Rs. 5/-.<table><tr><td>No. of valid postal ballot and electronic votes</td><td>14</td></tr><tr><td>No. of Equity Shares</td><td>83,08,207 (All votes are in favour)</td></tr></table></td></tr>
<tr><td>2022-23</td><td>March 27, 2023</td><td>CS D S Rao, Practicing Company Secretary, (CP No. 14487)</td><td>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>Re-appointment of Mr. Naveen Nandigam, (DIN: 02726620) as an Independent Director of the Company<table><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></td></tr>
<tr><td>2021-22</td><td colspan="4">No Postal Ballot held during the year 2021-2022.</td></tr>
</table>

Further, during the financial year 2025-26 the company has convened a general meeting through postal ballet for the re-appointment of Mr. Nageswar Rao Koripalli (DIN 08734786) as an independent director of the company for the second term of 5 years with effect from April 29, 2025.

7. 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) 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.

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

8. GENERAL SHAREHOLDER'S INFORMATION

a.

CIN Number:	L15400TG2009PLC062658		
Registered Office	Plot No. 287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad - 500072, Telangana, India.		
Corporate Office	Plot No 75, Kavuri Hills, Madhapur, Hyderabad – 500034, Telangana, India.		
Annual General Meeting Date and Time:	September 24, 2025 at 04.00 PM		
Venue:	Corporate office of the Company Plot No 75, Kavuri Hills, Madhapur, Hyderabad – 500034, Telangana, India.		
Financial Year **Dividend Payment Date**	April 1, 2024 to March 31, 2025 During the year under review, the Company has not declared and paid dividend to the members.		
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation	National Stock Exchange of India Ltd, Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex Bandra(E), Mumbai - 400 051		
about payment of annual listing fee	**Name of the Stock Exchange**	**Stock Code**	**Scrip Code**
to each of such stock exchange(s):	NSE	N.A	KAPSTON
Listing fees to the stock exchange and Annual custodian fees to depositories for the year 2024-25 have been paid.			

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

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

c. 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

d. 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.

e. 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 exchangeon yearly basis.

f. Distribution of shareholding (in Rupees) as on March 31, 2025.

S.No	Shareholding of Nominal (INR)	No of Shareholders	% of total	Share amount (INR)	% to Total share amount
1.	1-5000	3565	88.4835	31,29,800	1.5427
2.	5001-10000	187	4.6414	13,79,020	0.6797
3.	10001-20000	123	3.0529	18,57,820	0.9157
4.	20001-30000	53	1.3155	13,79,870	0.6801
5.	30001-40000	11	0.2730	3,88,230	0.1914
6.	40001 - 50000	8	0.1986	3,76,900	0.1858
7.	50001-100000	31	0.7694	22,03,360	1.0860
8.	100001 and above	51	1.2658	19,21,66,220	94.7186
	Total	**4029**	**100**	**20,28,81,220**	**100**

The total no. of shareholders i.e 4029 inclusive of the shareholders who hold more than one Demat account with same PAN.

Shareholding Pattern as on March 31, 2025:

Category	No of Shares Held	Percentage of Capital
Promoters (Individuals)	1,47,83,390	72.87
Directors and their relatives (Non- Promoter)	22,63,100	11.15
Banks, Financial Institutions, and Mutual Funds	Nil	-
Foreign Portfolio Investors and Foreign Institutional Investors	Nil	-
Indian Public and HUF	32,22,382	15.88
Private Corporate Bodies/Body Corporate	7,506	0.04
NRI/OCB's/FCB and Foreign Nationals	11,744	0.06
Total	**2,02,88,122**	**100**

g. Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of Shareholders	% of total shareholders
2,02,88,122	100	4029	100

The breakup of Shares in Demat and physical form as on 31st March, 2025 is as follows.

Particulars	No. of shares of Rs. 5/- each	% of Shares
Demat Segment		
NSDL	1,91,41,377	94.35
CDSL	11,46,745	5.65
Sub-total	2,02,88,122	100.00
Physical Segment	Nil	Nil
Total	**2,02,88,122**	**100.00**

h. 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 31st March 2025, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

I. 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 15th November 2018 is not required to be given.

j. Our Branches

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

S.No	Branch	Address	Nature of Operation
1	Corporate Office	Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034	Administration, Back end operation
2	Registered office (Recruitment Centre-1)	Plot No. 287, MIG - 2, IX Phase, KPHB, Kukatpally, Hyderabad - 500 072	Recruitment, Administration, Training
3	Recruitment Centre -2	Flat # 201, 9/HIG-A & 10/HIG Vasista Bhavan, APHB Colony, Gachibowli, Hyderabad - 500 032	Recruitment, Training
4	Visakhapatnam	50-49-25/1, 2nd Floor, TPT Colony, Seethammadhara, Opp. NRI Hospital Vishakapatnam – 530013.	Regional Operation
5	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	# Innova Pearl Building 3rd Floor 17, 1st main road, KHB Colony Industrial Layout, Koramangala Bangalore, Karnataka - 560034	Regional Operation
7	Chennai	# 2nd Floor No.25/73, Velachery Main Road, Opp : ICICI Bank ATM, Little Mount Road Saidapet, Chennai - Tamilnadu -600015	Regional Operation
8	Bhubaneshwar	4th floor, Janardan House, Saheed Nagar, Bhubaneswar, Odisha 751007	Regional Operation
9	Pune	# 4th Floor, City Vista, Office No 3 Wing B, Kharadi, Pune, Maharashtra 411014	Regional Operation
10	Mumbai	# 208, A Wing, SagarTech Plaza, Sakinaka, Andheri (E) Mumbai: 400072.	Regional Operation
11	Kolkata	# Aurora Waterfront Unit No: 706, GN 34/1, GN Block, Salt Lake Sector V, BIDHANNAGAR, West Bengal -700091	Regional Operation
12	Delhi	# Unit No 820, 8th Floor, DLF - Tower A, District Center, Jasola New Delhi 110025	Regional Operation
13	Jaipur	Ward No 08, Dabarwas Village, Neemrana Taluk, Alwar District, Rajasthan State - 301704	Regional Operation
14	Ahmedabad	Awfis, 1st & 2nd Floor, RE 11, Near Vikramnagar, Iscon, Ambli Rd, Ambli, Ahmedabad, Gujarat 380058	Regional Operation
15	Raipur	# 405, 4th floor, Magneto Mall, NH 53, GE Road, beside Signature Homes 2, Labhandih, Raipur, Chhattisgarh 492001	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

k. Address for Correspondence:

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

l. 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 02, 2025 the credit rating details are as follows :

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

9. OTHER DISCLOSURES

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

There are no related party transaction during the financial year under review except the one disclosed in the financial statements and **AOC-2**.

The Remunerations paid to Managing Director and Executive Chairman were 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 malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company.

The Policy is placed on the website of the Company under the web link: https://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 thereunder 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 material subsidiaries; 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 M/s. 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): NA

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 (INR)
Name of Auditor	NSVR & Associates LLP.
Statutory Audit	12,00,000

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

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

The disclosure pertaining to the complaints are given hereunder:

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

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: NA

O. 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

P. 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	Yes
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)	Website	Yes

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) financial results are submitted to the stock exchanges and are simultaneously placed on the website of the Company at www.kapstonservices.com part from being published in the newspapers.

(iii) Independent Directors:
During the financial year, Independent Directors held 2(two) meetings without the presence of Non-Independent Directors and Members of the management and all the Independent Directors were present at such meetings.

(iv) Modified opinion(s) in audit report
There are no modified opinions in the Audit Report for the financial year ended March 31, 2025.

(v) Reporting of Internal Auditor:
The Internal Auditor of the Company reports directly to the Chairman of the Audit Committee, stating observations, if any.

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 and CFO Certification:

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

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

Compliance Certificate on the compliance of conditions of corporate governance pursuant to Para E of Schedule V to the SEBI (LODR) Regulations, 2015 from M/s. VCAN and Associates, Practicing Company Secretaries, Hyderabad, is enclosed as an annexure to this Report.

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

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

Unclaimed Equity Dividends and Shares:

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

Guidance for Investor to file claim: Not Applicable

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

Since no shares of the Company have been transferred to Demat Suspense Account/ Unclaimed Suspense Account in accordance with Regulation 39 of the SEBI (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 the listed entity.

For and on behalf of the Board of Directors
Kapston Services Limited
Sd/-
Dr. Chereddi Ramachandra Naidu
Chairman
DIN: 02096757

Place: Hyderabad
Date: August 04, 2025

ANNEXURE-IIIA

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 March 31, 2025, 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	Ramachandra Naidu Chereddi	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 on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VCAN & Associates
Company Secretaries
sd/-
Santosh Kumar Gunemoni
C.P. No. 27836
UDIN: A060103G000922437
Peer Review Cer. No. 6565/2025

Place: Hyderabad
Date: August 04, 2025

ANNEXURE - IIIB

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 March 31, 2025 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.

	Sd/-	Sd/-
Place: Hyderabad	**Srikanth Kodali**	**Kapil Sood**
Date: August 04, 2025	Managing Director	Chief Financial Officer
	(DIN 02464623)	

ANNEXURE - IIIC

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 March 31, 2025.

Sd/-
Srikanth Kodali
Managing Director
(DIN 02464623)

Place: Hyderabad
Date: August 04, 2025

ANNEXURE - IIID

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, 2025 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, 2025.

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/-
Santosh Kumar Gunemoni
C.P. No. 27836
UDIN: A060103G000922437
Peer Review Cer. No. 6565/2025

Place: Hyderabad
Date: August 04, 2025

ANNEXURE-IV

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	DirectorDesignation/ 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 web link to 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 442.04 Lakhs
   b. Two percent of average net profit of the Company as per Section 135(5) of the Act: INR 8.84 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: Nil
   e. Total CSR obligation for the Financial Year (a+b-c): INR 8.84 Lakhs

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).- INR 8.84
   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 8.84 Lakhs

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

	Amount Unspent				
Total amount spent for the Financial Year	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		
(INR in Lakhs)	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 8.84 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	8.84
(ii)	Total amount spent for the Financial Year	8.84
(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)	Amount (INR in Lakhs) spent in the Reporting Financial Year (INR inLakhs)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			Amount remaining to be spent in remaining Financial Years (INR in Lakhs)
				Name of the Fund	Amount	Date of Transfer	
Not Applicable							

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

9. **Specify the reason(s), if the company has failed to spend two per cent 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/-	Sd/-
Kodali Srikanth	**Chereddi Ramachandra Naidu**
Managing Director &	Chairman Board
Chairman of CSR Committee	Member of CSR Committee
DIN: 02464623	DIN: 02096757

ANNEXURE-V

PARTICULARS OF EMPLOYEES

A. Information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2024-25 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 2023-24 (p.a) INR	Remuneration 2024-25 (p.a) INR	Percentage (%) Change	Ratio to Median Remuneration
1	Mr. Srikanth Kodali	1,20,00,000	1,20,00,000	0	26.61
2	Dr. Chereddi Ramachandra Naidu	15,00,000	15,00,000	0	3.32
3	Mr. Kapil Sood	44,33,465	47,27,176	6.13%	10.45
4	Ms. Triveni Banda*	2,66,014	8,41,440	N.A	1.87
5.	Ms. Manswani Kalluru**	6,54,000	0	N.A	N.A

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

*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

**Ms. Kalluru Manaswini has resigned as Company Secretary and Compliance Officer of the Company, with effective from December 07, 2023 hence, her remuneration for last financial year is not comparable.

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 2024-2025)

Independent / Non-Executive Directors	Sitting fee	Ratio to Median Remuneration
Mr. Naveen Nandigam	2,00,000	0.44
Ms. Vanitha Nagulavari	2,00,000	0.44
Mr. K Nageswara Rao	2,00,000	0.44

1. The percentage increase in the median remuneration of employees in the Financial Year: 1.19%
2. The number of permanent employees on the rolls of Company:

   There are 372 permanent employees on the rolls of the Company as on March 31, 2025 and the median remuneration of the employees of the company for the financial year 2024-25 is Rs. 4,50,958/-.
3. The percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2024-25 was 1.19%. The increments given to employees are based on their potential, performance and contribution, which are bench marked against applicable Industry norms.
4. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

   It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

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

The statement is available on the website of the company at www.kapstonservices.com. Members interested in obtaining these particulars may write to the company secretary at the registered office of the company.

*No. of Shares held and percentage of shareholding in the company as on March 31, 2025.

On behalf of the Board of Directors

For **Kapston service Limited**

sd/-

Dr. Chereddi Ramachandra Naidu

Chairman

(DIN 02096757)

Date : August 04, 2025

Place: Hyderabad

ANNEXURE-VI

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, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the rules made thereunder;

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

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

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

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

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

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

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

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 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 (Delisting of Equity Shares) Regulations, 2021; and

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

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

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

(a) Contract Labour (Regulation & Abolition) Act, 1970

(b) Private Security Agencies (Regulation) Act, 2005

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

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

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

We further report that

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

S. No.	Name of the Director	Appointment/ Reappointment/ Cessation	Our Comments
1	Mr. Srikanth Kodali	Re-Appointment	Reappointed as a director at 16th AGM held on 27th September, 2024 upon retirement by rotation in accordance with the provisions of Sec. 152 of Companies Act, 2013.
2	Dr. Chereddi Ramachandra Naidu	Re-Appointment	Reappointed as an Executive Chairman of the Company w.e.f. 29th August, 2024 for a period of 3 years vide board resolution dated 10th August, 2024, and the same was approved by the shareholders at 16th AGM held on 27th September, 2024.

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

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

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

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

We further report that the Company has subdivided the face value of its Equity Shares from Rs. 10 to Rs. 5 per Share by altering the capital clause of its Memorandum of Association vide Postal Ballot Resolution dated July 03, 2024.

For **VCAN & Associates**
Company Secretaries
sd/-
Santosh Kumar Gunemoni
C.P. No. 27836
UDIN: A060103G000922393
Peer Review Cer. No. 6565/2025

Place: Hyderabad
Date: August 04, 2025

Note: This report is to be read with our letter of even date which is enclosed as **'ANNEXURE-VIA'** and forms an integral part of this report.

ANNEXURE-VIA

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
Sd/-
Santosh Kumar Gunemoni
C.P. No. 27836
UDIN: A060103G000922393
Peer Review Cer. No. 6565/2025

Date: August 04, 2025
Place: Hyderabad

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAPSTON SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **KAPSTON SERVICES LIMITED** ("the Company"), for the which comprise the Balance Sheet as at 31 March 2025, 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 standalone 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 2025, 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 standalone 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 standalone 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 Standalone 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 standalone 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 Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone 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 Standalone financial statements.

Key Audit Matters	How the Matter was addressed in Audit
Accuracy of recognition, measurement, presentation and disclosures of revenue The company's revenue for the financial year ending 31 March 2025 is Rs 68,870.17 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 2025 is Rs 552.30 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. 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.

Key audit matter	How our audit addressed it
Trade Receivable: Trade receivables, as indicated in Note No 10, comprise a significant portion of the total assets of the Company and serve as security for a majority of the Company's short-term debt. Total debtors constitute 54.88% of the total assets of the company and the outstanding trade receivables are about 87 days of the total revenue. Accordingly, the value of receivables comprises a significant portion of the total assets of the company.	**Conclusion** Our procedures did not identify any material exceptions.
Deferred tax assets: The company has recognized Rs 1,265.03 Lakhs of deferred tax assets as at 31 March 2025.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 8 of the Standalone financial statements.	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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements

Our responsibility is to express an opinion on these Standalone 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 Standalone 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone 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 standalone 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

e) On the basis of written representations received from the directors as on 31 March 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025, 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 ProtectionFund.

   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 fromborrowed 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, whetherrecorded 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 otherpersons or entities identified in any manner what so ever 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 Subclause(a) and (b) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year and until the date of this report

vi. 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. Furthermore, the audit trail has been preserved by the company as per the statutory requirements of record retention where the audit trial feature has been enabled.

Furthermore, the audit trail has been preserved by the company as per the statutory requirements of record retention where the audit trial feature has been enabled.

For **NSVR &ASSOCIATES LLP.,**
Chartered Accountants
Firm Registration No: 008801S/S200060
sd/-
Venkata Ratnam Pichikala
Partner
M.no:230675
UDIN: 25230675BMINCU1608

Date: 19 May 2025
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. According to the information and explanations given to us and on the basis of our examination of the records of the company, During the year the company has made investment in, Provided guarantee or security , granted unsecured loans to companies , firms, Limited liability Partnership or any other parties during the year in respect of which the requisite information is set out below.

a. (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided any advances in the nature of loans. However, the Company has given loans or guarantee to subsidiaries which are disclosed hereunder

In Lakhs

Particulars	Corporate Guarantee	Loan
Aggregate amount provided during the year to subsidiaries	1000.00	27.98
Balance outstanding as at the Balance sheet date in respect of the above subsidiaries		27.98

(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 other than subsidiaries. Accordingly, the requirement to report on clause 3(iii)(b) of the order is not applicable to the company to that extent.

(b) In our opinion, the investments made, guarantees provided and security given and the terms and conditions of the grant of all loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no amount overdue in respect of the loans as per the respective loan agreements.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties. Hence reporting under clause 3(iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) of the Order 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 31 March 2025 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 31,2025 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 us and 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) According to information and explanation given to us and based on the examination of the records, the company has not raised any loans on the pledge of securities held in its subsidiaries and thecompany does not have any 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 of the 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;

xiii. 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/-
Venkata Ratnam Pichikala
Partner
M.no:230675
UDIN: 25230675BMINCU1608

Date: 19 May 2025
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, 2025, 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 31 March 2025, 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/-
Venkata Ratnam Pichikala
Partner
M.no:230675
UDIN: 25230675BMINCU1608

Date: 19 May 2025
Place: Hyderabad.

KAPSTON SERVICES LIMITED
Plot No. 287, MIG, IX Phase KPHB, Kukatpally
Hyderabad, Telangana, India - 500 072.
CIN: L15400TG2009LC062658

Standalone Statement of Assets and Liabilities as at 31 March 2025

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

S.No	Particulars	Note No	"As at 31 March 2025"	"As at 31 March 2024"
I	**ASSETS**			
(1)	Non-current assets			
	(a) Property plant and Equipment	2	4,082.78	457.29
	(b) Capital work in Progress		-	-
	(c) Right of Use Asset	3	748.78	184.30
	(d) Investment Property	4	1,138.29	1,138.29
	(e) Financial assets			
	(i) Investments	5	2.00	-
	(ii) Loans	6	27.98	-
	(iii) Other Financial assets	7	242.19	162.75
	(f) other Non current asset		-	-
	(g) Deferred Tax Assets (Net)	8	1,265.03	967.71
	Total Non current Assets		**7,507.05**	**2,910.34**
(2)	**Current assets**			
	(a) Inventories	9	468.02	504.34
	(b) Financial assets			
	(i) Trade receivables	10	16,383.42	12,677.35
	(ii) Cash and cash equivalent	11	67.46	55.44
	(iii) Bank Balance other than (ii) above	12	856.97	636.71
	(iv)Other financial assets	13	1,542.26	1,800.90
	(c) Other current assets	14	3,026.42	2,079.14
	Total Current Assets		**22,344.54**	**17,753.88**
	Total Assets		**29,851.59**	**20,664.22**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	15	1,014.41	1,014.41
	(b) Other Equity	16	7,873.14	6,143.18
	Total Equity		**8,887.55**	**7,157.59**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	3,410.53	360.47
	(ii) Lease Liabilities	18	635.72	79.66
	(iii) Other Financial Liabilities		-	-
	(b) Provisions	19	469.55	388.73
	Total Non current Liabilities		**4,515.80**	**828.86**

(2) Current liabilities			
(a) Financial Liabilities			
I) Borrowings	20	12,688.65	9,655.56
ii) Lease Liabilities	21	143.75	126.21
iii) Trade payables			
a) Total outstanding due of Micro enterprises and small enterprises	22	26.01	46.47
b) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	22	176.34	161.82
iv) Other financial liabilities	23	1,212.40	1,132.41
(b) Other current liabilities	24	1,914.36	1,443.76
(c) Provisions	25	286.72	111.53
Total Current Liabilites		**16,448.24**	**12,677.76**
Total Equity and Liabilities		**29,851.59**	**20,664.22**

Summary of Material accounting Policy information 1

The accompanying notes form an integral part of the Standalone financial statements Note 1 to 48

As per our report attached of even date

FOR **NSVR & ASSOCIATES LLP.,**
Chartered Accountants
Firm Registration No: 008801S/S200060
Sd/-
Venkata Ratnam Pichikala
Partner
M No:230675
UDIN: 25230675BMINCU1608

Date : 19 May 2025
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

KAPSTON SERVICES LIMITED
Plot No. 287, MIG, IX Phase KPHB, Kukatpally
Hyderabad, Telangana, India - 500 072.
CIN: L15400TG2009LC062658

Statement of Standalone Profit and Loss account for the Year Ended 31 March 2025

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

S.No	Particulars	Note No	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
1.	**Income**			
	Revenue from operations	26	68,870.17	52,008.06
	Other income	27	81.46	124.85
2.	**Total Income**		**68,951.64**	**52,132.91**
	Expenses			
	Cost of materials consumed	28	765.11	891.03
	Employee benefits expense	29	63,885.50	47,798.57
	Finance costs	30	1221.55	1021.02
	Depreciation and amortization expense	31	449.47	361.71
	Other expenses	32	1125.99	1068.09
	Total Expenses		**67,447.62**	**51,140.43**
3.	**Profit before tax and exceptional items (1-2)**		**1504.02**	**992.49**
4.	Exceptional items		-	-
5.	**Profit before tax (3-4)**		**1,504.02**	**992.49**
6.	**Tax Expense**			
	(1) Current tax		-	-
	(2) Deferred tax		(279.36)	(264.58)
7.	**Net Profit for the Period (5-6)**		**1783.38**	**1257.07**
8.	**Other comprehensive income (OCI)**			
	(a) (i) Items that will not be reclassified to profit or loss		(71.39)	45.82
	(ii) Tax on items that will not be reclassified to profit or loss		17.97	(11.53)
	(b) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive income		**(53.42)**	**34.29**
9.	**Total Comprehensive income (7+8)**		**1,729.95**	**1,291.36**
10.	**Earnings per share**			
	Basic earnings per share of Rs. 5/- each		8.79	6.20
	Diluted earnings per share of Rs. 5/- each		8.79	6.20

Summary of Material accounting Policy information 1

The accompanying notes form an integral part of the Standalone financial statements Note 1 to 48

As per our report attached of even date

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

Sd/-
Venkata Ratnam Pichikala
Partner
M No:230675
UDIN: 25230675BMINCU1608

Date: 19 May 2025
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

KAPSTON SERVICES LIMITED
Plot No. 287, MIG, IX Phase KPHB, Kukatpally
Hyderabad, Telangana, India - 500 072.
CIN: L15400TG2009LC062658

Standalone Statement of cash flow for the year Ended 31 March 2025

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before tax	**1,504.02**	**992.49**
Adjusted for :		
Interest debited to P&L A/c	1,168.95	1,035.69
Interest on Lease Liabilities	52.61	24.10
Gain on termination of Lease	(4.30)	-
Gratuity expense	243.92	213.42
Profit on Sale Fixed Assets	(3.45)	-
Depreciation	449.47	361.71
Expected credit loss	31.51	25.02
Operating profits before working capital changes	**3,442.72**	**2,652.44**
Changes in Working capital		
Increase/(Decrease) in Inventories	36.32	(14.36)
Increase/(Decrease) in Trade Receivables	(3,737.57)	(2,251.35)
Increase/(Decrease) in Other current financial Assets	258.64	(481.87)
Increase/(Decrease) in Other Non current financial Assets	(79.44)	(29.08)
Increase/(Decrease) in Other current Assets	(230.41)	924.12
Increase/(Decrease) in Trade Payables	(5.93)	9.92
Increase/(Decrease) in Other Financial Liabilities	43.69	42.97
Increase/(Decrease) in Other Current Liabilities	470.60	223.01
Increase/(Decrease) in Long term and short term provisions	(59.30)	(50.49)
Increase/(Decrease) in Other Bank Balances	(220.25)	(62.30)
Cash Utilised for operations	**(80.93)**	**962.99**
Income tax paid	(716.87)	(571.90)
Net cash Utilised in operating activities	**(797.80)**	**391.09**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(3,909.60)	(171.01)
Proceeds from Sale of Property, Plant and Equipment	10.00	-
Investment in Subsidiaries	(2.00)	-
Loans given to subsidiaries	(27.98)	-
Net cash Utilised in investing activities	**(3,929.58)**	**(171.01)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Long Term Borrowings	3,050.06	(518.23)
Proceeds/(Repayment) of short Term Borrowings	3,033.10	1,515.18
Interest paid	(1,132.61)	(1,012.43)
Repayment of Lease Liabilities (Including interest)	(211.16)	(176.05)
Net cash generated from financing activities	**4,739.39**	**(191.53)**

D. Net increase / (decrease) in cash and cash equivalents	12.01	28.55
E. Cash and cash equivalents at the beginning of the year	55.45	26.90
F. Cash and cash equivalents at the end of the year	**67.46**	**55.45**

Notes:

1) Cash and Cash equivalents includes the following for cash flow statements:

Particulars	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
Cash on hand	27.52	20.28
Current accounts	39.93	35.17
Total	**67.46**	**55.45**

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

Sd/-
Venkata Ratnam Pichikala
Partner
M No:230675
UDIN: 25230675BMINCU1608

Date : 19 May 2025
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

(Amount in Indian rupees lakh, except share data and where otherwise stated)

Statement of changes in Equity

(A) Share capital

Statement of changes in Equity for the year ended 31 March 2025:

Equity share capital	Opening Balance as at 01 April 2024	Changes in Equity share capital during the year	Closing Balance as at 31 March 2025
2,02,88,122 Equity Shares of Rs.5 each, fully paid up	1,014.41	-	1,014.41
Total	**1,014.41**	**-**	**1,014.41**

Note: During the year on 09 August 2024, the shareholders of the company has approved for subdivision of one equity share of the face value of Rs 10 in two equity shares of face value of Rs 5 each.

Consequently the total number of equity shares increased from 1,01,44,061 to 2,02,88,122 without change in the paid up share capital.

Statement of changes in Equity for the year ended 31 March 2024:

Equity share capital	Opening Balance as at 01 April 2023	Changes in Equity share capital during the year	Closing Balance as at 31 March 2024
1,01,44,061 Equity Shares of Rs.10 each, fully paid up	1,014.41	-	1,014.41
Total	**1,014.41**	**-**	**1,014.41**

Other equity

Particulars	Securities Premium Reserve	Retained Earnings	Actuarial gain/Loss on account of Defined benefit plans	TOTAL
Balance as at 31 March 2024	**755.81**	**5,272.25**	**115.12**	**6,143.18**
Profit for the Period	-	1,783.38	-	1,783.38
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-53.42	-53.42
Balance as at 31 March 2025	**755.81**	**7,055.63**	**61.70**	**7,873.14**

1. NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FY 2024-25
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 Standalone financial statements were authorized by the directors on 19 May 2025.

Material accounting policies

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

1.2 Basis of preparation and presentation of Financial Statements

The Standalone 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 2024.

These Standalone 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 2025. These financial statements for the year ended 31 March 2025 were approved by the Company's Board of Directors on 19 May 2025.

1.3 Basis of Measurement

These Standalone 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

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

1.5 Use of estimates and judgments.

In preparing these Standalone 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 38 – 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 41 - 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

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 specifi ed 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 eff ective 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 profi t 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 fi nancial 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.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting:

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

1.13 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

1.14 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.

1.15 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.

1.16 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 curr ent 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.

1.17 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.

1.18 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.

1.19 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.

1.20 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 theuseful 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 rightof-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.

1.21 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.

1.22 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.

1.23 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

Contingent assets

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

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

1.24 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.

1.25 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".

1.26 Determination of fair values

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

a. Property, plant and equipment

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

b. Intangible assets

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

c. **Inventories**

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

d. **Derivatives**

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

e. **Non-derivative financial liabilities**

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

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 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 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 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note - 2
Property,Plant and Equipment

Description	Office Equipments	Computers	Mobiles	Furniture and Fixtures	Printers	Inverters	Plant and Machinery	Vehicles	Live stock	Lease Hold Improvement	Land	TOTAL
Gross carrying amount Cost as at 01 April 2024	337.13	180.30	98.78	318.00	9.16	12.21	55.12	751.39	1.43	533.06	-	2,296.58
Additions	4.70	25.83	20.35	0.45	0.53	0.68	13.15	315.95	-	-	3,527.98	3,909.60
Disposals	-	-	-	-	-	-	-	130.96	-	-		130.96
Cost as at 31 March 2025	341.82	206.13	119.13	318.45	9.69	12.88	68.26	936.38	1.43	533.06	3,527.98	6,075.22
Accumulated Depreciation	286.82	151.43	66.63	211.84	7.45	9.68	24.94	626.9	1.24	452.40	-	,839.34
Charge for the year	19.52	24.35	21.11	27.34	0.34	1.24	17.46	120.54	0.07	45.55	-	277.51
Disposals	-	-	-	-	-	-	-	124.41	-	-	-	124.41
As at 31 March 2025	306.34	175.78	87.74	239.18	7.78	10.92	42.40	623.04	1.31	497.95	-	1,992.44
Net Carrying Value												
As at 31 March 2024	50.31	28.87	32.15	106.16	1.71	2.52	30.18	124.48	0.19	80.66		457.29
As at 31 March 2025	35.48	30.35	31.39	79.27	1.91	1.96	25.87	313.34	0.12	35.11	3,527.98	4,082.78

Note No 3- Right of Use Asset

Description	Buildings
Gross carrying amount	
Cost as at 01 April 2024	707.61
Additions	736.44
Disposals	-
Cost as at 31 March 2025	**1,444.05**
Accumulated Depreciation	523.30
Charge for the year	171.96
Disposals	-
As at 31 March 2025	**695.26**
Net Carrying Value	
As at 31 March 2024	**184.30**
As at 31 March 2025	**748.78**

Note No 4- Investment Property

Description	Land
Gross carrying amount	
Cost as at 01 April 2024	1,138.29
Additions	-
Disposals	-
Cost as at 31 March 2025	**1,138.29**
Accumulated Depreciation	-
Charge for the year	-
Disposals	-
As at 31 March 2025	**-**
Net Carrying Value	
As at 31 March 2024	**1,138.29**
As at 31 March 2025	**1,138.29**

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

Note No.5 Investment

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted Investments		
Investment in Subsidiaries (at cost unless otherwise stated)		
10,000 Equity shares of Rs 10 each fully Paid up in Kapston Manpower Services Private Limited	1.00	-
10,000 Equity shares of Rs 10 each fully Paid up in Kapston Security Services Private Limited	1.00	-
Total	**2.00**	**-**

Note No.6 Loans

Particulars	As at 31 March 2025	As at 31 March 2024
Loan to Subsidiaries		
Kapston Manpower Services Private Limited	27.67	-
Kapston Security Services Private Limited	0.31	-
Total	**27.98**	**-**

Note No.7 Other Financial Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits against Bank Guarantee	204.43	137.79
Interest Accured on Deposits against Bank Gurantee	37.76	24.96
Total	**242.19**	**162.75**

Note No.8 Deferred Tax Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred Tax Asset on 80JJAA	864.88	679.59
Deferred Tax Asset on Property, plant& equipment	183.95	168.15
Deferred Tax Asset on Right of Use Assets	7.72	5.43
Deferred Tax Asset on Employee Benefit Obligations	208.32	114.38
Deferred Tax Asset on Others	0.16	0.16
Total	**1,265.03**	**967.71**

Note No.9 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
Uniforms and Housekeeping materials	468.02	504.34
Total	**468.02**	**504.34**

Note No.10 Trade Receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, Considered Good		
Trade Receivable	16,487.63	12,750.05
Expected Credit Loss	(104.21)	(72.70)
Total	**16,383.42**	**12,677.35**

Trade Receivable Oustanding from the Due date of Payment

Trade Receivables Ageing Schedule	Notdue	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Particulars							
Undisputed trade receivables - considered good	7238.62	8,610.91	359.41	-	36.54	51.23	16296.71
Undisputed Trade Receivables which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	190.92	190.92
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	(104.21)	(104.21)
Balance as at 31 March 2025	**7,238.62**	**8,610.91**	**359.41**	**-**	**36.54**	**137.94**	**16,383.42**
Undisputed trade receivables - considered good	5,737.66	6,535.00	179.44	55.80	-	51.23	12,559.13
Undisputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	190.92	190.92
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-72.70	-72.70
Balance as at 31 March 2024	**5,737.66**	**6,535.00**	**179.44**	**55.80**	**-**	**169.45**	**12,677.35**

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

Note No.11 Cash and Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	27.52	20.28
Balances with banks in - Current accounts	39.93	35.17
Total	**67.46**	**55.44**

Bank balances lying in various current accounts bear no interest.
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

Note No.12 Bank Balance other than (ii) above

Particulars	As at 31 March 2025	As at 31 March 2024
- Margin Money Deposits in Banks *	732.50	560.50
Interest Receivable on Fixed Deposit	124.47	76.21
Total	**856.97**	**636.71**

* Pledged as security/margin money against guarantees issued by banks on behalf of the Company.

Note No.13 Other Financial Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Rental and other deposits	272.89	623.28
Receivables for training projects	1,269.37	1,177.62
Total	**1,542.26**	**1,800.90**

Note No. 14 Other Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Advances to Employees	1,318.65	1,218.81
Advance to Suppliers	22.30	26.61
Balances with Govt Authorities- TDS Receivable	1,480.92	658.04
Prepaid Expenses	204.55	175.68
Total	**3,026.42**	**2,079.14**

(Amount in Indian rupees lakh, except share data and where otherwise stated)

15 Share Capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorized share capital 2,30,00,000 equity shares of Rs.5 each(1,15,00,000 Equity Shares of Rs 10 each, in FY 23-24 before split)	1,150.00	1,150.00
Issued subscribed and paid up share capital 2,02,88,122 Equity Shares of Rs.5 each, fully paid up (1,01,44,061 Equity Shares of Rs.10 each, fully paid up in FY 23-24 before split)	1,014.41	1,014.41
	1,014.41	1,014.41

Note: During the year on 09 August 2024 , the shareholders of the company has approved subdivision of one equity share of the face value of Rs 10 each into two equity shares of face value of Rs 5 each. Consequently, the number of equity shares increased from 1,01,44,061 to 2,02,88,122 without any change in the total paid-up capital.

Reconciliation of equity shares outstanding is set out below:

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares/share capital	1,01,44,061	1,014.41	1,01,44,061	1,014.41
Add: equity shares issued during the year	-	-	-	-
Add: share split (1:2)	1,01,44,061	-	-	-
Less: shares buy backed during the year	-	-	-	-
Closing number of equity shares/share capital	**2,02,88,122**	**1,014.41**	**1,01,44,061**	**1,014.41**

Details of shareholders holding more than 5% shares:

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% Holding	No. of shares	% Holding
1. Mr Kodali Srikanth	1,44,07,386	71.01%	72,03,693	71.01%
2. Mr. Chereddi Ramachandra Naidu	12,82,400	6.32%	6,41,200	6.32%
	1,56,89,786	**77.33%**	**78,44,893**	**77.33%**

Details of shares held by promotersAs at 31 March 2025

Particulars	As at 31 March 2025		As at 31 March 2024		
	No. of shares	% Holding	No. of shares	% Holding	% change
1. Mr. Srikanth Kodali	1,44,07,386	71.01%	72,03,693	71.01%	-
2. Mrs.Kantikiran Doddapaneni	3,76,004	1.85%	1,88,002	1.85%	-
	14,783,390	**72.87%**	**7,391,695**	**72.87%**	**-**

15.1 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 /- each.For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share, as reflected in the records of the Company as on the record date set for the shareholders meeting, shall have one vote in respect of each share held.

Should the Company declare and pay any dividends, such dividends will be paid in Indian rupees to each holder of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

16 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Retained Earnings	7,055.63	5,272.25
Securities Premium	755.81	755.81
Other comprehensive income	61.70	115.12
Total	**7,873.14**	**6,143.18**

Particulars	As at 31 March 2025	As at 31 March 2024
Retained earnings		
Opening balance	5,272.25	4,015.18
Add: Addition during the year	1,783.38	1,257.07
Total	**7,055.63**	**5,272.25**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

Particulars	As at 31 March 2025	As at 31 March 2024
Securities premium		
Opening balance	755.81	755.81
Add: Addition during the year	-	-
Total	**755.81**	**755.81**

Amount received on issue of shares in excess of the face value has been classified as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013

Particulars	As at 31 March 2025	As at 31 March 2024
Other comprehensive income -Acturial gain/loss		
Opening balance	115.12	80.83
Add: Addition during the year	-53.42	34.29
Total	**61.70**	**115.12**

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to re-measurement of Defined Employee Benefit Plans

Particulars	Securities Premium Reserve	Retained Earnings	Actuarial gain/ Loss on account of Defined benefit plans	TOTAL
Balance as at 31.03.2024	**755.81**	**5,272.25**	**115.12**	**6,143.18**
Profit for the Period 01.04.2024 to 31.03.2025		1,783.38		1,783.38
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit			-53.42	-53.42
Balance as at 31.03.2025	**755.81**	**7,055.63**	**61.70**	**7,873.14**

Note No 17 Long term borrowings

	Particulars	As at 31 March 2025	As at 31 March 2024
a)	**Loans from Banks & Financial Institutions**		
	Secured	3,307.27	52.61
	Unsecured	103.26	307.86
	Total	**3,410.53**	**360.47**

Note No 18 Lease Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease Liabilities	635.72	79.66
Total	**635.72**	**79.66**

Note No 19 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Gratuity	469.55	388.73
Total	**469.55**	**388.73**

Note No.20 Short-term borrowings

	Particulars	As at 31 March 2025	As at 31 March 2024
a)	Borrowings from Banks & Financial Institutions Secured*	12,403.21	9,214.69
b)	Loans and advances from related Parties Unsecured	-	-
c)	Current maturities of Long term Borrowings	285.44	440.87
	Total	**12,688.65**	**9,655.56**

Note*: Out of the above secured borrowings (a) Rs 2333.01 Lakhs (Previous year Rs 2508.17 Lakhs) were obtained from Axis Bank Limited (b) Rs 909.24 Lakhs (Previous year Rs 375.42 Lakhs) were obtained from Bandhan Bank (c) Rs 3164.69 Lakhs (Previous year Rs 2932.24 Lakhs) obtained from HDFC bank Limited (d) Rs 3305.80 Lakhs (Previous year Rs 1766.42 lakhs) obtained from ICICI Bank Limited (e)Rs 2690.47 Lakhs (Previous year 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 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

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).

For IndusInd Bank Limited

I. Existing fixed deposits with pari passu charge

ii. First and Exclusive Charge on Residential Villa bearing No 231, Survey No 1009 of Indu Fortune Fields, Situated at Phase III KPHB owned by Mr. Bollepalli Venu and Mrs. Manita Bollepalli

c) Personal Guarantee's

I. Mr Srikanth Kodali

ii. Mrs Kanti Kiran Doddapaneni

Note No. 21 Lease Liabilites

Particulars	As at 31 March 2025	As at 31 March 2024
Current maturities of Lease Liabilities	143.75	126.21
Total	**143.75**	**126.21**

Note No. 22 Trade Payables

Particulars	As at 31 March 2025	As at 31 March 2024
Outstanding dues to micro enterprises and small enterprises	26.01	46.47
Outstanding dues to creditors other than micro enterprises and small enterprises	176.34	161.82
Total	**202.36**	**208.29**

Trade Payable Ageing Schedule — **Outstanding for following periods from due date of payment**

Particulars	Notdue	Less than -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(I) MSME	26.01	-	-	-	-	26.01
(ii) Others	-	176.34	-	-	-	176.34
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Balance as at 31 March 2025	**26.01**	**176.34**	**-**	**-**	**-**	**202.36**
(I) MSME	46.47	-	-	-	-	46.47
(ii) Others	137.38	24.44	-	-	-	161.82
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Balance as at 31 March 2024	**183.85**	**24.44**	**-**	**-**	**-**	**208.29**

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

Note No. 23 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Rent payable	5.30	19.46
Expenses Payable	45.53	53.58
Audit fee Payable	15.00	13.50
Expenses payable of projects	-	4.23
Salaries Payable	198.23	177.39
Wages Payable	912.00	841.00
Interest Accured on Bank borrowings	36.33	23.25
Total	**1,212.40**	**1,132.41**

Note No.24 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	1,914.36	1443.76
Advance Received for Training Projects	-	-
Total	**1,914.36**	**1,443.76**

Note No.25 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Gratutity	286.72	111.53
Total	**286.72**	**111.53**

KAPSTON SERVICES LIMITED

Note: 26 Revenue from operations

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Sale of services		
(a) House Keeping	16,451.59	13,286.53
(b) Security Service Charges	20,422.79	18,083.83
(c) Contract Staffing Income	31,351.74	19,402.34
(d) Grants Received from Ministry of Rural Development and Government of India for DDU -GKY skill Projects	91.75	92.67
(e) Unbilled Revenue	552.30	1,142.70
Total	**68,870.17**	**52,008.07**

Note: 27 Other Income

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Interest Received	73.58	51.61
Interest on Income tax Refund	-	68.94
Misc Income	0.13	-
Profit on Sale of Fixed Assets	3.45	-
Gain on Termination of Leases	4.30	-
Grant Deferred Income	-	4.30
Total	**81.46**	**124.85**

Note: 28 Cost of Materials consumed

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Opening Stock	504.34	489.98
Purchases	728.79	905.39
Closing Stock	468.02	504.34
Cost of Materials consumed	**765.11**	**891.03**

Note: 29 Employee Benefits

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Wages	56,203.48	41,580.37
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	91.75	92.67
Salaries	2,196.38	1,860.88
Directors Remuneration	120.00	120.00
Contribution to Provident fund and other funds	4860.95	3753.69
Gratuity Expense	275.00	213.42
Other Employee Benefits	131.94	171.54
Director's Sitting Fees	6.00	6.00
Total	**63,885.50**	**47,798.57**

Note: 30 Finance cost

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Interest on Vehicle loans and other Term loans	82.48	100.99
Interest on Bank O/D	1,086.46	895.94
Interset On lease	52.61	24.10
Total	**1,221.55**	**1,021.03**

Note: 31 Depreciation and Amortization

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Depreciation of Property,Plant and Equipment	277.51	234.67
Depreciation of Right of use assets	171.96	127.04
Total	**449.47**	**361.70**

Note: 32 Other Expenses

S.No Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Advertisement Charges	8.41	11.83
Professional Fees	30.15	21.46
Internal Audit Fees	2.00	2.00
Business Promotion Expenses	9.26	5.23
Consultancy Charges	111.17	110.92
Conveyance	46.57	49.02
Bank Charges	45.72	38.76
Electricity Charges	31.84	29.97
Donation	29.68	32.22
CSR Expenses	8.84	6.65
Insurance	184.34	187.61
Rates and Taxes	41.48	30.49
Office Maintenance	70.83	72.48
Postage and Telegram	2.34	1.97
Printing and Stationery	39.12	47.84
Rent	119.13	122.95
Internet Charges	3.07	3.12
Telephone Charges	19.30	19.76
Travelling Expenses	71.08	74.53
Computer Maintenance	4.96	6.62
Vehicle Maintenance	72.37	59.22
NSDC Expenditure	-	8.63
NAPS Expenditure	13.21	16.81
Tender Expenses	5.21	-
Recuritment expenses	38.62	8.44
Annual Maintenance Charges	4.27	4.02
Software Expenses	46.60	39.68
Expected Credit Loss	31.51	25.02
Other expenses	19.93	17.84
Audit Fees		
Staututory Audit	12.00	10.00
Tax Audit	3.00	3.00
Total	**1,125.99**	**1,068.08**

KAPSTON SERVICES LIMITED

Standalone Notes Forming Part of IND AS Financial Statements for FY 2024-25

(All amounts are in Lakhs except share data or as otherwise Specified)

33. Changes in liabilities arising from financing activities.

For the year ended 31 March 2025

Particulars	Current Borrowings	Non-current Borrowings	Lease Liabilities
As at April 01, 2024	9214.69	801.33	205.87
Borrowings made during the year	3188.53	4363.51	-
Borrowings repaid during the year	-	(1468.87)	-
Recognition/termination of Lease Liability during the year	-	-	732.13
Accretion of Interest	-	-	52.61
Payment of lease liability including interest	-	-	(211.14)
As at March 31, 2025	**12403.22**	**3695.97**	**779.47**

For the year ended 31 March 2024

Particulars	Current Borrowings	Non-current Borrowings	Lease Liabilities
As at April 01, 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	-	-	151.69
Accretion of Interest	-	-	24.10
Payment of lease liability including interest	-	-	(176.05)
As at March 31, 2024	**9214.69**	**801.33**	**205.87**

34. 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 equity shares outstanding during the period/year plus the weighted verage number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Earnings		
Profit attributable to equity holders	1783.38	1257.07
Shares		
Number of shares at the beginning of the year	2,02,88,122	2,02,88,122
Add: Equity share.		
The Shareholders of the s issued	–	–
Less: Buy back of equity shares	–	–
Total number of equity shares outstanding at the end of the year	**2,02,88,122**	**2,02,88,122**
Weighted average number of equity shares outstanding during the year – Basic (Nos)*	**2,02,88,122**	**2,02,88,122**
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)*	**2,02,88,122**	**2,02,88,122**
Earnings per share of par value Rs. 5/- Basic	**8.79**	**6.20**
Earnings per share of par value Rs. 5/- Diluted	**8.79**	**6.20**

Company had approved the sub-division of one equity share of the face value of Rs. 10/- each into two equity shares of face value Rs. 5/- each. The record date for the said sub-division was August 09, 2024. The basic and diluted EPS for the prior periods have been restated considering the face value of Rs. 5/- each in accordance with Ind AS 33-**"Earnings per Share"** on account of the above mentioned sub-division of equity shares.

35. Auditor Remuneration

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Audit Fees	12.00	10.00
Tax Audit	3.00	3.00
Taxation Matters	–	–
Other services	–	–
Total*	**15.00**	**13.00**

* Excluding Taxes

36. 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
Parties where Control Exist	
Kapston Manpower Services Private limited	Subsidiary company
Kapston Security Services Private Limited	Subsidiary company
Key Management Personnel	
Dr. Chereddi Ramachandra Naidu	Chairman
Mr. Srikanth Kodali	Managing director
Mr. Naveen Nandigam	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 & Nominee Director in Kapston Security Services Private Limited
Ms. Triveni Banda	Company Secretary
* Mr. Kolala Somasekhar	Nominee Director in Kapston Manpower services Private Limited
* Shampooram Narsing Rao Syam sunder	Nominee Director in Kapston Manpower services Private Limited
* Penmatcha Sri Rama Venkatasurya Satyanaryana raju	Nominee Director in Kapston Manpower services Private Limited
* Reena Rekulgikar	Nominee Director in Kapston Manpower services Private Limited
* Nitya Menon	Nominee Director in Kapston Manpower services Private Limited
* Haraprasad Panda	Nominee Director in Kapston Security Services Private Limited
* Srinivas Chellampalli	Nominee Director in Kapston security services Private Limited
* Vishnu Bhopal Rao Mora Vittal	Nominee Director in Kapston security services Private Limited

***Note**
Since they are nominee directors appointed by the company, they are not considered as interested or related parties in the transactions between the company and its subsidiaries.

(b) Transactions during the year

Particulars	For the eriod Ended 31 March 2025	For the Period Ended 31 March 2024
Remuneration		
Mr. Chereddi Ramachandra Naidu	15.00	15.00
Mr. Srikanth Kodali	120.00	120.00
Mr. Kapil Sood	47.27	44.33
Ms. Kalluru Manaswini	-	6.54
Ms. Triveni Banda	8.41	2.66
Sitting fee		
Mr. Naveen Nandigam	2.00	2.00
Mr. Vanitha Nagulavari	2.00	2.00
Mr. Nageswara Rao Koripalli	2.00	2.00

(c) Balance Outstanding at	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Remuneration		
Mr. Srikanth Kodali	6.73	6.73
Mr. Chereddi Ramachandra Naidu	1.15	1.04
Mr. Kapil Sood	2.70	2.67
Ms. Triveni Banda	0.63	0.66

37. 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.

38. Details of Employee Benefits

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Wages	56,203.48	41,580.37
Salaries	2,196.38	1,860.88
Director remuneration	120.00	120.00
Other employee benefits	131.94	171.54
Gratuity Expense	275.00	213.42
Contribution to Provident fund and other funds	4,860.95	3,753.69
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	91.75	92.67
Total	**63,879.50**	**47,792.57**

Notes:

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

(a) Change in Present Value of Defined Benefit Obligation - (Gratuity)

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Defined Benefit obligation at the beginning	500.26	383.16
Interest cost	33.98	26.88
Adjustment	--	--
Current service cost	209.94	186.54
Benefits Paid	-59.30	-50.50
Actuarial/losses on obligation	71.39	-45.82
Obligation at the end of the year	**756.27**	**500.26**

(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 2025	For the Period Ended 31 March 2024
Current Service Cost	209.94	186.54
Past Service cost	–	–
Gain/(Loss) on settlements	–	–
Reimbursement of service cost	–	–
Total Service cost	**209.94**	**186.54**
Interest expense on DBO	33.98	26.88
Interest (income) on Plan assets	–	–
Interest (income) on Reimbursement rights	–	–
Interest expense on Asset ceiling /Onerous Liability	–	–
Total Net Interest cost	**33.98**	**26.88**
Reimbursements of Other Long-term benefits	–	–
Defined benefit cost Included in P&L	**246.09**	**213.42**
Remeasurements -Due to Demographic assumptions	-106.36	0
Remeasurements -Due to Financial assumptions	-54.48	3.92
Remeasurements -Due to Experience adjustments	232.23	-49.74
(Return) on Plan assets (Excluding interest income)		–
(Return) on Reimbursement Rights		–
Changes in Asset ceiling /Onerous Liability		–
Total Remeasurements in OCI	**71.39**	**-45.82**
Total Defined Benefit Recognised in P&L and OCI	**315.30**	**167.60**

Amount recognised in the statement of Financial Position

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Defined Benefit Obligation Fair value of plan assets	756.27	500.26
Net asset/(Liability) recognised in Balance sheet	**756.27**	**500.26**

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

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Discount rate	7.%	7.22%
Retirement age	58	58
Future salary increases	2.00%	5.00%

39. Income taxes

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

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Current Tax Expense	–	–
Deferred tax Expense	–	–
Deferred tax Expense Benefit	279.36	264.58
Total income tax Expense/(Benefit) recognised	**(279.36)**	**(264.58)**

Income tax Expense/(Benefit) recognised in the Statement of other comprehensive income.

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Tax Effect on remeasurement of defined benefit Plans	17.97	(11.53)
Total income tax Expense/(Benefit) recognised	**17.97**	**(11.53)**

Reconciliation of Effective Tax Rate:

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Profit Before Income tax	1,504.42	992.49
Enacted tax Rate in India	**25.17%**	**25.17%**
Computed Expected Tax Expense/(Benefit)	378.56	249.81
Tax Effect on		
Expense Not deductible for tax Purpose	200.17	164.53
Expense deductible for tax Purpose	107.42	101.17
Other deductions	625.45	426.98
Income tax Expense/(Benefit)	**-154.09**	**-113.80**
Effective tax rate	**-**	**-**

Deferred tax (Asset)/Liabilities (Net)

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Deferred tax asset on 80JJAA	864.88	679.59
Deferred tax asset on Property, Plant and Equipment	183.95	168.15
Deferred tax Assets on Right of Use assets	7.72	5.43
Deferred tax asset on Employee benefit obligations	208.32	114.38
Deferred tax asset on others	0.16	0.16
Net Deferred Tax Asset	**1265.03**	**967.71**

40. Contingent Liabilities

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Claims against the Company/Disputed Liabilities not acknowledged as debts	–	–
Bank Guarantee	1207.69	532.89
Total	**1207.69**	**532.89**

41. Financial Instruments

The Carrying value and fair value of financial instruments as at 31 March 2025 and 31 March 2024 were as follows:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying value	Fair value/ Amortised cost	Carrying value	Fair value/ Amortised cost
Trade Receivables	16383.42	16383.42	12,677.35	12,677.35
Loans and advances	27.98	27.98	-	-
Cash and cash equivalents	67.46	67.46	55.45	55.45
Other Bank balances	856.97	856.97	636.71	636.71
Other Financial Assets	1,784.45	1,784.45	1,963.65	1,963.65
Investments	2.00	2.00		
Total	**19,122.27**	**19,122.27**	**15,333.16**	**15,333.16**
Borrowings	16,099.19	16,099.19	10,016.03	10,016.03
Trade payables	202.36	202.36	208.29	208.29
Lease Liabilities	779.47	779.47	205.87	205.87
Other financial liabilities	1212.40	1212.40	1,132.41	1,132.41
Total	**18,293.40**	**18,293.40**	**11,562.60**	**11,562.60**

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).

42. 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 group 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 Group 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 Rs 19,122.27 Lakhs and Rs. 15,333.16 Lakhs as at 31 March 2025 and 31 March 2024 respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets.

a. Trade Receivables

The Group'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 group grants credit terms in the normal course of business.

The total Trade Receivable as on 31 March 2025 is Rs. 16,383.42 Lakhs and Rs.12,677.35 lakhs as on 31 March 2024.

Particulars	As at 31 March 2025	As at 31 March 2024
Neither Past Due nor Impaired	7238.62	5,737.66
Past Due but no Impaired		
Less than 365 days	8970.32	6714.44
More than 365 days	178.48	225.25
Credit Impaired	104.21	72.70
Less: Allowance for credit Losses	-104.21	-72.70
Total	**16383.42**	**12,677.35**

None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2025.

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 2025 and 31 March 2024 are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	72.70	47.68
Impairment of Trade receivables	31.51	25.02
Balance at the end of the year	104.21	72.70

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given in Note No 10. 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 2025	As at 31 March 2024
Company's Long-term debt	3695.97	801.34
Company long term debt that will mature in less than one year from the reporting period	285.44	440.87
	8.37%	**55.01%**

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 2025				
Long term borrowings	3695.97	285.44	3410.53	-
Other financial liabilities	1212.40	1212.40	-	-
Trade payables	202.36	202.36	-	-
Lease Liabilities	779.47	143.75	635.72	-
Short term borrowings	12403.21	12403.21	-	-
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	–	–

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 2025	For the Period Ended 31 March 2024
FOB value of Imports	–	–
Professional Fees	–	–
Other Expenses	–	–
Total	**–**	**–**

Earnings in Foreign Exchange

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
FOB value of Exports	–	–
Professional Fees	–	–
Dividend Income	–	–
Total	**–**	**–**

43. 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 2025	As at 31 March 2024
Total Debt	16,099.19	10,016.03
Total Equity	8887.55	7,157.60
Debt to Equity Ratio	1.81:1	1.40:1

44. Corporate Social responsibility expenses

The CSR expenditure comprise of the following

a. Gross Expenditure required to be spent during the financial year 2024-25 is Rs.8.84 lakhs and Rs 7.65 lakhs of Previous Financial Year 2023-24.

b. Amount spent during the year is given below

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Preventing Health care including preventive health care	-	-
Slum Area Development- Development of roads in slum areas	-	-
Rural area development	-	-
Eradicating hunger, poverty and malnutrition, promoting education, including special education and employment enhancing vocation skills	8.84	6.65
Kasturba Gandhi National memorial trust	-	-
Total amount spent	**8.84**	**6.65**

45. 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 2025	For the Period Ended 31March 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	26.01	46.47
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	**26.01**	**46.27**

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

46. 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 2025	For the year ended 31 March 2024
At the beginning of the year	**205.86**	**206.13**
Additions	736.43	151.68
Leases terminated	-4.30	-
Accretion of interest	52.61	24.10
Payments Including Interest	211.14	176.05
At the end of the year	**779.47**	**205.86**
Current	**143.75**	**126.21**
Non-current	**635.72**	**79.65**

The maturity analysis of lease liabilities is disclosed in Note 42. The following are the amounts recognized in the statement of profit or loss:

The Company had total cash outflows for leases of Rs 211.16 Lakhs.

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 9.75%, with maturity between 2029-30.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Expense relating to leases of low-value assets	**53.60**	**57.42**
Expense relating to short-term leases	**65.53**	**65.53**
Variable lease payments	--	--
Total Lease Payments not considered as Lease payments under Ind AS 116	**119.13**	**122.95**

47. 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.

48: Ratios as per schedule III requirements

Sl No	Particulars	FY 2024-25	FY 2023-24	% Change	Items Included in Numerator	Items Included in Denominator	Reason for change
1	Current Ratio (No of times)	1.36	1.40	-2.94%	Current Assets	Current Liabilities	
2	Debt Equity Ratio (No of times)	1.81	1.40	29.52%	Total Debt	Share holders Equity	Due to increase in Bank Cash Credit Facilities for working capital requirement, Hence the debt equity ratio has been increased.
3	Return on Equity Ratio (No of times)	0.22	0.19	15.17%	Net profit after tax	Average Shareholders's Equity	
4	Trade Receivable Turnover Ratio (No of times)	4.74	4.50	5.43%	Credit Sales	Average trade receivables	
5	Inventory Turnover Ratio (No of times)	1.57	1.79	-12.19%	Raw Material consumed	Average Inventory	
6	Debt service coverage Ratio (No of times)	1.19	1.49	-20.18%	Earnings available for debt service	Interest on borrowings + Repayment of borrowings	
7	Trade Payable turnover Ratio (No of times)	3.73	4.38	-14.97%	Cost of material Consumed	Average Trade Payable	
8	Net Capital turnover Ratio (No of times)	11.66	10.25	13.79%	Revenue from Operations	Working capital	
9	Net Profit Ratio %	2.59%	2.42%	7.04%	Net profit after tax	Revenue from Operations	
10	Return on Capital employed (No of times)	0.21	0.26	-19.71%	Earnings before interest and taxes(EBIT)	Capital Employed(pre cash)	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAPSTON SERVICES LIMITED
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of KAPSTON SERVICES LIMITED ("hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the group") comprising of the Consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the " Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Consolidated state of affairs of the Company as at March 31, 2025, its Consolidated profit, its Consolidated total comprehensive income, its Consolidated statement of changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated 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 Consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How the Matter was addressed in Audit
Accuracy of recognition, measurement, presentation & disclosures of revenue The group's revenue for the financial year ending March 31, 2025 is Rs 68,943.16 Lakhs. A significant portion of the Group'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 Group 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 Group is therefore required to make operational and financial assumptions and various judgements. The nature of services provided by the group also gives rise to accrued/unbilled revenue with corresponding profit recognition. Accrued/ unbilled income for the financial year ending March 31, 2025 is Rs 552.30 Lakhs **Judgements include:** • Interpretation of contract terms. • Allocation of revenue to performance conditions; and • Combining of obligations where the services are related. **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 54.92% of the total assets of the company and the outstanding trade receivables are about 87 days of the total revenue. Accordingly, the value of receivables comprises a significant portion of the total assets of the company.	**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. 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.

Deferred tax assets: The Group has recognized Rs 1,265.58 Lakhs of deferred tax assets as at 31 March 2025.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 7 of the financial statements.	**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 Group'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 Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the Group's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 consolidated 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 control 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 the internal financial controls with reference to the consolidated financial statements 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 the 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 Group 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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statement of which we are the independent auditors 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 in dependence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 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 communicated 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 of the aforesaid consolidated financial statements

   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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid Consolidated financial statements 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 the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"ANNEXURE-A"** to this report;

   g) In our opinion and based on the consideration of the reports of the statutory auditors of subsidiaries, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Holding Company and its subsidiaries to their directors is in accordance with the provisions of Section 197 read with Schedule V to the Act;

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 holding company and its subsidiaries which would impact on its Consolidated financial position.

      ii. The Group 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 respective Management of the Holding and its subsidiaries 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 respective Management of the holding and its subsidiaries 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 inwriting or otherwise, that the Company shall, whether, directly or indirectly, lender invest in other persons or entities identified in any manner what so ever 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. Based on our examination, which included test checks, the company and its subsidiaries 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.

Furthermore, the audit trail has been preserved by the company and its subsidiaries as per the statutory requirements of record retention where the audit trial feature has been enabled.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the Consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **NSVR &ASSOCIATES LLP.,**
Chartered Accountants
Firm Registration No: 008801S/S200060
Sd/-
Venkata Ratnam Pichikala
Partner
M.no:230675
UDIN: 25230675BMINCU1608

Date: 19 May 2025
Place: Hyderabad.

ANNEXURE “A” 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 with reference to Consolidated financial statements of **KAPSTON SERVICES LIMITED** (“hereinafter referred to as “the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of March 31, 2025 in conjunction with our audit of the consolidated financial statements of the Holding 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 Holding Company and its Subsidiary Companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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 respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI''). 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 Act.

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 Consolidated 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 Consolidated financial statements.

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/-
Venkata Ratnam Pichikala
Partner
M.no:230675
UDIN: 25230675BMINCU1608

Date: 19 May 2025
Place: Hyderabad.

KAPSTON SERVICES LIMITED
Plot No. 287, MIG, IX Phase KPHB, Kukatpally
Hyderabad, Telangana, India - 500 072.
CIN: L15400TG2009LC062658

Consolidated Statement of Assets and Liabilities as at 31 March 2025

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

S.No	Particulars	Note No	"As at 31 March 2025"	"As at 31 March 2024"
1.	**ASSETS**			
(1)	Non-current assets			
(a)	Property plant and Equipment	2	4,082.78	457.29
(b)	Capital work in Progress		-	-
(c)	Right of Use Asset	3	748.78	184.30
(d)	Investment Property	4	1,138.29	1,138.29
(e)	Financial assets			
	(i) Investments		-	-
	(ii) Loans	-		
	(iii) Other Financial assets	6	256.66	162.75
(f)	other Non current asset		-	-
(g)	Deferred Tax Assets (Net)	7	1,265.58	967.71
	Total Non current Assets		**7,492.09**	**2,910.33**
2.	**Current assets**			
(a)	Inventories	8	468.02	504.34
(b)	Financial assets			
	(i) Trade receivables	9	16,403.03	12,677.35
	(ii) Cash and cash equivalent	10	71.03	55.45
	(iii) Bank Balance other than (ii) above	11	864.53	636.71
	(iv)Other financial assets	12	1,542.26	1,800.90
(c)	Other current assets	13	3,027.83	2,079.14
	Total Current Assets		**22,376.70**	**17,753.89**
	Total Assets		**29,868.79**	**20,664.22**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
(a)	Equity Share Capital	14	1,014.41	1,014.41
(b)	Other Equity	15	7,873.41	6,143.19
	Total Equity		**8,887.82**	**7,157.60**
LIABILITIES				
1.	**Non-current liabilities**			
(a)	Financial Liabilities			
	(I) Borrowings	16	3,410.53	360.47
	(ii) Lease Liabilities	17	635.72	79.66
	(iii) Other Financial Liabilities		-	-
(b) Provisions		18	471.72	388.73
Total Non current Liabilities			**4,517.97**	**828.86**

2.	**Current liabilities**			
(a)	Financial Liabilities			
	I) Borrowings	19	12,697.82	9,655.56
	ii) Lease Liabilities	20	143.75	126.21
	iii) Trade payables			
	a) Total outstanding due of Micro enterprises and small enterprises	21	26.01	46.47
	b) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	21	176.37	161.82
	iv) Other financial liabilities	22	1,216.17	1,132.41
(b)	Other current liabilities	23	1,915.95	1,443.76
(c)	Provision	24	286.93	111.53
Total Current Liabilites			**16,463.00**	**12,677.76**
Total Equity and Liabilities			**29,868.79**	**20,664.22**

Summary of Material accounting Policy information 1

The accompanying notes form an integral part of the Standalone financial statements Note 1 to 48

As per our report attached of even date

For NSVR &ASSOCIATES LLP.,
Chartered Accountants
Firm Registration No: 008801S/S200060
Sd/-
Venkata Ratnam Pichikala
Partner
M No:230675
UDIN: 25230675BMINCU1608

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

Date: May 19, 2025
Place: Hyderabad

KAPSTON SERVICES LIMITED
Plot No. 287, MIG, IX Phase KPHB, Kukatpally
Hyderabad, Telangana, India - 500 072.
CIN: L15400TG2009LC062658

Consolidated Statement of Profit and Loss account for the Year Ended 31 March 2025

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

S.No	Particulars	Note No	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
1	Income			
	Revenue from operations	25	68,943.16	52,008.06
	Other income	26	80.01	124.85
	Total Income		**69,023.18**	**52,132.91**
2	**Expenses**			
	Cost of materials consumed	27	765.11	891.02
	Employee benefits expense	28	63,951.42	47,798.58
	Finance costs	29	1221.58	1021.02
	Depreciation and amortization expense	30	449.47	361.71
	Other expenses	31	1131.64	1068.09
	Total Expenses		**67,519.22**	**51,140.43**
3	**Profit before tax and exceptional items (1-2)**		**1503.95**	**992.49**
4	Exceptional items		-	-
5	**Profit before tax (3-4)**		**1503.95**	**992.49**
6	**Tax expense**			
	(1) Current tax		0.21	-
	(2) Deferred tax		(279.90)	(264.58)
7	**Net Profit for the Period (5-6)**		**1783.65**	**1257.07**
8	**Other comprehensive income (OCI)**			
	(a) (i) Items that will not be reclassified to profit or loss		(71.39)	45.82
	(ii) Tax on items that will not be reclassified to profit or loss		17.97	(11.53)
	(b) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that		-	-
	Total Other Comprehensive income		**(53.42)**	**34.29**
9	**Total Comprehensive income (7+8)**		1,730.23	1,291.36
	Profit/(Loss) for the year is attributable to		**1,503.95**	**992.49**

Equity holders of the parent		
Non-Controlling interest	-	-
Other comprehensive Income/(Loss) for the year is attributable to Equity holders of the parent	-53.42	34.29
Non-Controlling interest	-	-
Total comprehensive Income/(Loss) for the year is attributable to		
Equity holders of the parent	1,730.23	1,291.36
Non-Controlling interest	-	-
10 Earnings per share		
Basic earnings per share of Rs. 5/-each	8.79	6.20
Diluted earnings per share of Rs. 5/- each	8.79	6.20

Summary of Material accounting Policy information 1

The accompanying notes form an integral part of the consolidated financial statements Note 1 to 48 As per our report attached of even date

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

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

Sd/-
Venkata Ratnam Pichikala
Partner
M No:230675
UDIN: 25230675BMINCU1608

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

Date: May 19, 2025
Place: Hyderabad

KAPSTON SERVICES LIMITED
Plot No. 287, MIG, IX Phase KPHB, Kukatpally
Hyderabad, Telangana, India - 500 072.
CIN: L15400TG2009LC062658

Consolidated Statement of cash flow for the year Ended 31 March 2025

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before tax	1,503.95	992.49
Adjusted for :		
Interest debited to P&L A/c	1,168.97	1,035.69
Interest on Lease Liabilities	52.61	24.10
Gain on termination of Lease	(4.30)	-
Gratuity Provision	246.08	213.42
Profit on Sale Fixed Assets	(3.45)	-
Depreciation	449.47	361.71
Expected credit loss	31.51	25.02
Operating profits before working capital changes	**3,444.85**	**2,652.44**
Changes in Working capital		
Increase/(Decrease) in Inventories	36.32	(14.36)
Increase/(Decrease) in Trade Receivables	(3,757.18)	(2,251.35)
Increase/(Decrease) in Other current financial Assets	258.64	(481.87)
Increase/(Decrease) in Other Non current financial Assets	(93.91)	(29.08)
Increase/(Decrease) in Other current Assets	(231.82)	924.12
Increase/(Decrease) in Trade Payables	(5.91)	9.92
Increase/(Decrease) in Other Financial Liabilities	47.47	42.97
Increase/(Decrease) in Other Current Liabilities	472.19	223.01
Increase/(Decrease) in Long term and short term provisions	(59.30)	(50.49)
Increase/(Decrease) in Other Bank Balances	(227.81)	(62.30)
Cash Utilised in operations	**(116.47)**	**962.99**
Income tax paid	(716.87)	(571.90)
Net cash Utilised in operating activities	**(833.33)**	**391.09**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property,Plant and Equipment	(3,909.60)	(171.01)
Proceeds from Sale of Property, Plant and Equipment	10.00	-
Net cash Utilised in investing activities	**(3,899.60)**	**(171.01)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Long Term Borrowings	3,050.06	(518.23)
Proceeds/(Repayment) of short Term Borrowings	3,042.26	1,515.18
Interest paid	(1,132.64)	(1,012.43)
Repayment of Lease Liabilities (Including interest)	(211.16)	(176.05)
Net cash generated from financing activities	**4,748.52**	**(191.53)**

D. Net increase / (decrease) in cash and cash equivalents	**15.59**	**28.55**
E. Cash and cash equivalents at the beginning of the year	55.45	26.90
F. Cash and cash equivalents at the end of the year	**71.03**	**55.45**

Notes:

1) Cash and Cash equivalents includes the following for cash flow statements:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Cash on hand	27.52	20.28
Current accounts	43.51	35.17
Total	**71.03**	**55.45**

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

Sd/-
Venkata Ratnam Pichikala
Partner
M No:230675
UDIN: 25230675BMINCU1608

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

Date: May 19, 2025
Place: Hyderabad

(Amount in Indian rupees lakh, except share data and where otherwise stated)

Statement of changes in Equity

(A) Share capital
Statement of changes in Equity for the year ended March 31, 2025:

Equity share capital	Opening Balance as at 01 April 2024	Changes in Equity share capital during the year	Closing Balance as at 31 March 2025
2,02,88,122 Equity Shares of Rs.5 each, fully paid up	1,014.41	-	1,014.41
Total	**1,014.41**	**-**	**1,014.41**

Note:
During the year 2024-25, on July 03, 2024the shareholders of the company has approved for subdivision of one equity share of the face value of Rs 10 in two equity shares of face value of Rs 5/- each w.e.f. August 09, 2024.

Consequently the total number of equity shares increased from 1,01,44,061 to 2,02,88,122 without change in the paid up share capital.

Statement of changes in Equity for the year ended March 31, 2024:

Equity share capital	Opening Balance as at 01 April 2023	Changes in Equity share capital during the year	Closing Balance as at 31 March 2024
1,01,44,061 Equity Shares of Rs.10 each, fully paid up	1,014.41	-	1,014.41
Total	**1,014.41**	**-**	**1,014.41**

Other equity

Particulars	Securities Premium Reserve	Retained Earnings	Actuarial gain/Loss on account of Defined benefit plans	TOTAL
Balance as at 31 March 2024	**755.81**	**5,272.26**	**115.12**	**6,143.19**
Profit for the Period	-	1,783.65	-	1,783.65
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-53.42	-53.42
Balance as at 31 March 2025	**755.81**	**7,055.91**	**61.70**	**7,873.41**

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DESCRIPTION OF THE COMPANY AND MATERIAL ACCOUNTING POLICIES

1.1 Corporate information

The Consolidated financial statements (CFS) Comprise financial statements of KAPSTON SERVICES LIMITED ("the Holding company") and its Subsidiaries (Collectively, the Group) for the Year Ended March 31, 2025.

The Holding company is a Public limited company domiciled in India and incorporated under the provisions of the companies act 2013 having corporate office at Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad, Telangana, India -500072

The group is Principally engaged in the business of rendering security and related services, training and facility management, housekeeping and cleaning services and IT staffing services.

The Consolidated financial statements for the year Ended March 31, 2025, were approved by the Board of Directors and Authorised for issue on May 19, 2025.

Material accounting policies

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

1.2 Basis of preparation and presentation of Financial Statements

The Consolidated 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 March 31, 2024.

These Consolidated 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, March 31, 2025. These Consolidated financial statements for the year ended March 31, 2025 were approved by the Company's Board of Directors on May 19, 2025.

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at March, 31 2025. Control is achieved when the Group is exposed or has rights to variable returns from its involvement in the Investee and has the ability to affect the returns through its power over investee.

Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e, existing rights that give its, the current ability to direct the relevant activities of the investee);

b) Exposure, or rights, to variable returns from its involvement with the investee; and

c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control.

To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee;

b) Rights arising from other contractual arrangements;

c) The Group's voting rights and potential voting rights;

d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., March 31, 2025. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding Company's investment in each subsidiary and the holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

b) Derecognises the carrying amount of any non-controlling interests;

c) Derecognises the cumulative translation differences recorded in equity;

d) Recognises the fair value of the consideration received;

e) Recognises the fair value of any investment retained;

f) Recognises any surplus or deficit in profit or loss;

g) Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners;

h) Reclassifies the holding Company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

1.3 Basis of Measurement

These Consolidated 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.

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 Consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding 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 Consolidated 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 37 – 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

- Note 7- Recoverability/Recognition of deferred tax assets

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 Group. 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 Group 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 group 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 group 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 40 - 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 group 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 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 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. There is no 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 group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

1.9 Foreign Currency Transaction

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

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

1.10 Property Plant & Equipment

Recognition and measurement

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 speci c 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:

Depreciation is recognized in the statement of profit and loss on 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 group 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 Group 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 specifi ed 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 eff ective 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 group 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 profi t and loss, even on sale of investment. However, on sale the Group 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.

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 group 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 group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group 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 group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the group 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 fi nancial 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.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting:

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

1.13 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

1.14 Impairment of non-financial assets

'The Group'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 groups 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.

1.15 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.

1.16 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 curr ent 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.

1.17 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 incomes are recognised in the period in which the change occurs.

1.18 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 Group 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 group 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.

1.19 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.

1.20 Leases

Group as a lessee

The Group'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 group 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 Group as lesse 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 group

(ii) the Group 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 Group 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 Group 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 group, 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 Group depreciates the right-of-use assets using the written down value method from the lease commencement date to the earlier of the end of theuseful life of the right-of-use asset or the end of the lease term. The group 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 Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

At the commencement date, the Group 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 Group'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 rightof-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group 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.

1.21 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 Group 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.

1.22 Earnings Per Share

The group 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.

1.23 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

Contingent assets

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

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

1.24 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.

1.25 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".

1.26 Determination of fair values

The group'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.

New standards adopted by the group

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 Group does not expect this amendment to have any significant impact in its Consolidated 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 Group does not expect this amendment to have any significant impact in its Consolidated 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 Group does not expect this amendment to have any significant impact in its Consolidated 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Note - 2
Property,Plant and Equipment

Description	Office Equipments	Computers	Mobiles	Furniture and Fixtures	Printers	Inverters	Plant and Machinery	Vehicles	Live stock	Lease Hold Improvement	Land	TOTAL
Gross carrying amount Cost as at April 01, 2024	337.13	180.30	98.78	318.00	9.16	12.21	55.12	751.39	1.43	533.06	-	2,296.58
Additions	4.70	25.83	20.35	0.45	0.53	0.68	13.15	315.95	-	-	3,527.98	3,909.60
Disposals		-	-	-	-	-	-	130.96	-	-	-	130.96
Cost as at March 31, 2025	**341.82**	**206.13**	**119.13**	**318.45**	**9.69**	**12.88**	**68.26**	**936.38**	**1.43**	**533.06**	**3,527.98**	**6,075.22**
Accumulated Depreciation	286.82	151.43	66.63	211.84	7.45	9.68	24.94	626.91	1.24	452.40	-	1,839.34
Charge for the year	19.52	24.35	21.11	27.34	0.34	1.24	17.46	120.54	0.07	45.55	-	277.51
Disposals	-	-	-	-	-	-	-	124.41	-	-	-	124.41
As at March 31, 2025	**306.34**	**175.78**	**87.74**	**239.18**	**7.78**	**10.92**	**42.40**	**623.04**	**1.31**	**497.95**	**-**	**1,992.44**
Net Carrying Value												
As at March 31, 2024	**50.31**	**28.87**	**32.15**	**106.16**	**1.71**	**2.52**	**30.18**	**124.48**	**0.19**	**80.66**	**-**	**457.29**
As at March 31, 2025	**35.48**	**30.35**	**31.39**	**79.27**	**1.91**	**1.96**	**25.87**	**313.34**	**0.12**	**35.11**	**3,527.98**	**4,082.78**

Note No 3- Right of Use Asset

Description	Buildings
Gross carrying amount	
Cost as at 01 April 2024	707.61
Additions	736.44
Disposals	-
Cost as at March 31, 2025	**1,444.05**
Accumulated Depreciation	523.30
Charge for the year	171.96
Disposals	-
As at March 31, 2025	**695.26**
Net Carrying Value	
As at March 31, 2024	**184.30**
As at March 31, 2025	**748.78**

Note No 4- Investment Property

Description	Land
Gross carrying amount	
Cost as at 01 April 2024	1,138.29
Additions	-
Disposals	-
Cost as at March 31, 2025	**1,138.29**
Accumulated Depreciation	-
Charge for the year	-
Disposals	-
As at March 31, 2025	**-**
Net Carrying Value	
As at March 31, 2024	**1,138.29**
As at March 31, 2025	**1,138.29**

(All amount are in Indian Rupees in Lakhs, unless otherwise stated)

Note No.5 Investment

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted Investments		
Investment in Subsidiaries (at cost unless otherwise stated)		
10,000 Equity shares of Rs 10 each fully Paid up in		
Kapston Manpower Services Private Limited	0	-
10,000 Equity shares of Rs 10 each fully Paid up in		
Kapston Security Services Private Limited	0	-
Total	**0**	**-**

Note No.6 Other Financial Assets

Particulars	As at 31 March 2025	As at 31 March 2024
'Deposits against Bank Guarantee	218.55	137.79
'Interest Accured on Deposits against Bank Gurantee	38.11	24.96
Total	**256.66**	**162.75**

Note No.7 Deferred Tax Assets (Net)

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred Tax Asset on 80JJAA	864.88	679.59
Deferred Tax Asset on Property,plant& equipment	183.95	168.15
Deferred Tax Asset on Right of Use Assets	7.72	5.43
Deferred Tax Asset on Employee Benefit Obligations	208.87	114.38
Deferred Tax Asset on Others	0.16	0.16
Total	**1,265.58**	**967.71**

Note No.8 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
Closing Stock	468.02	504.34
Total	**468.02**	**504.34**

Note No.9 Trade Receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, Considered Good		
Trade Receivable	16,507.24	12,750.05
Expected Credit Loss	(104.21)	(72.70)
Total	**16,403.03**	**12,677.35**

Note: Trade Receivable are non interest bearing

Trade Receivables Ageing Schedule

Particulars	Trade Receivable Oustanding from the Due date of Payment						
	Not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	7258.23	8,610.91	359.41	-	36.54	51.23	16316.32
Undisputed Trade Receivables- which have signifiant increase in Credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables- which have signifiant increase in Credit risk	-	-	-	-	-	190.92	190.92
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	(104.21)	(104.21)
Balance as at 31 March 2025	**7258.23**	**8610.91**	**359.41**	**0**	**36.54**	**137.94**	**16403.03**
Undisputed trade receivables - considered good	5,737.66	6,535.00	179.44	55.80	-	51.23	12,559.13
Undisputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in Credit risk	-	-	-	-	-	190.92	190.92
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-72.70	-72.70
Balance as at 31 March 2024	**5,737.66**	**6,535.00**	**179.44**	**55.80**	**-**	**169.45**	**12,677.35**

Note No.10 Cash and Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on Hand	27.52	20.28
Balances with banks in Current accounts	43.51	35.17
Total	**71.03**	**55.45**

Note No.11 Bank Balance other than (ii) above

Particulars	As at 31 March 2025	As at 31 March 2024
- Fixed Deposits in Banks	740.06	560.50
Interest Receivable on Fixed Deposit	124.47	76.21
Total	**864.53**	**636.71**

* Pledged as security/margin money against guarantees issued by banks on behalf of the Company.

Note No.12 Other Financial Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Rental and other deposits	272.89	623.28
Receivables for training projects	1,269.37	1,177.62
Total	**1,542.26**	**1,800.90**

Note No. 13 Other Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Advances to Employees	1,318.65	1,218.81
Advance to Suppliers	22.30	26.61
Balances with Govt Authorities- TDS Receivable	1,482.06	658.04
Prepaid Expenses	204.83	175.68
Other Advances	0.00	0.00
Total	**3,027.83**	**2,079.14**

(Amount in Indian rupees lakh, except share data and where otherwise stated)

15 Share Capital

Particulars	As at 31 March 2025	As at 31 March 2024
Retained Earnings	7,055.91	5,272.26
Securities Premium	755.81	755.81
Other comprehensive income	61.70	115.12
Total	**7,873.41**	**6,143.19**

Particulars	As at 31 March 2025	As at 31 March 2024
Retained earnings		
Opening balance	5,272.26	4,015.19
Add: Addition during the year	1,783.65	1,257.07
Total	**7,055.91**	**5,272.26**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

Particulars	As at 31 March 2025	As at 31 March 2024
Securities premium		
Opening balance	755.81	755.81
Add: Addition during the year	-	-
Total	**755.81**	**755.81**

Amount received on issue of shares in excess of the face value has been classified as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013

Particulars	As at 31 March 2025	As at 31 March 2024
Other comprehensive income - Acturial gain/loss		
Opening balance	115.12	80.83
Add: Addition during the year	-53.42	34.29
Total	**61.70**	**115.12**

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Employee Benefit Plans

Note No 16 Long term borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
a) Loans from Banks & Financial Institutions		
Secured	3,307.27	52.61
Unsecured	103.26	307.86
Total	**3,410.53**	**360.47**

Note No 17 Lease Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease Liabilities	635.72	79.66
Total	**635.72**	**79.66**

Note No 18 Provisions

Provision for Income tax		
Provision for Gratuity	471.72	388.73
Total	**471.72**	**388.73**

Note No.19 Short-term borrowings

a) Borrowings from Banks & Financial Institutions		
Secured*	12,412.38	9,214.69
b) Loans and advances from related Parties		
Unsecured	-	
c) Current maturities of Long term Borrowings	285.44	440.87
Total	**12,697.82**	**9,655.56**

Out of the above secured borrowings (a) Rs. 2,333.01 Lakhs (Previous year Rs. 2,508.17 Lakhs) were obtained from Axis Bank Limited (b) Rs. 918.41 Lakhs (Previous year Rs. 375.42 Lakhs) were obtained from Bandhan Bank (c) Rs 3,164.69 Lakhs (Previous year Rs. 2,932.24 Lakhs) obtained from HDFC bank Limited (d) Rs. 3,305.80 Lakhs (Previous year Rs. 1,766.42 lakhs) obtained from ICICI Bank Limited (e) Rs. 2,690.47 Lakhs (Previous year Rs.1,632.44 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 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.

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).

For IndusInd Bank Limited

I. Existing fixed deposits with pari passu charge

ii. First and Exclusive Charge on Residential Villa bearing No 231, Survey No 1009 of Indu Fortune Fields, Situated at Phase III KPHB owned by Mr. Bollepalli Venu and Mrs. Manita Bollepalli. (Relative of Managing director)

c) Personal Guarantee's

I. Mr Srikanth Kodali

ii. Ms Kanti Kiran Doddapaneni

Note No. 20 Lease Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Current maturities of Lease Liabilities	143.75	126.21
Total	**143.75**	**126.21**

Note No.21 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Outstanding dues to micro enterprises and small enterprises	26.01	46.47
Outstanding dues to creditors other than micro enterprises and small enterprises	176.37	161.82
Total	**202.38**	**208.29**

Trade payable ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Not due	1-2 Years	2-3 Years	More than3 Years	Total
(i) MSME	26.01	-	-	-	26.01
(ii) Others	-	176.37	-	-	176.37
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Balance as at 31 March 2025	**26.01**	**176.37**	**-**	**-**	**202.38**
(i) MSME	46.47	-	-	-	46.47
(ii) Others	137.38	24.44	-	-	161.82
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Balance as at 31 March 2024	**183.85**	**24.44**	**-**	**-**	**208.29**

Note No. 22 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Rent payable	5.30	19.46
Expenses Payable	35.53	53.58
Audit fee Payable	26.13	13.50
Expenses payable of projects	-	4.23
Salaries Payable	198.23	177.39
Wages Payable	914.65	841.00
Interest Accrued on Bank borrowings	36.33	23.25
Total	**1,216.17**	**1,132.41**

Note No.23 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	1,915.95	1443.76
Advance Received for Training Projects	0	0.00
Total	**1,915.95**	**1,443.76**

Note No.24 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Gratutity	286.72	111.53
Provision for Income tax	0.21	-
Total	**286.93**	**111.53**

Note: 25 Revenue from operations

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Sale of services		
(a) House Keeping	16,451.59	13,286.53
(b) Security Service Charges	20,422.79	18,083.83
(c) Contract Staffing Income	31,424.73	19,402.34
(d) Grants Received from Ministry of Rural Development and Government of India for DDU -GKY skill Projects	91.75	92.67
(e) Unbilled Revenue	552.30	1,142.70
Total	**68,943.16**	**52,008.06**

Note: 26 Other Income

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Interest Received	72.24	51.61
Interest on Income tax Refund	-	68.94
Misc Income	0.02	-
Profit on Sale of Fixed Assets	3.45	-
Gain on Termination of Leases	4.30	-
Grant Deferred Income	-	4.30
Total	**80.01**	**124.85**

Note: 27 Cost of Materials consumed

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Opening Stock	504.34	489.98
Purchases	728.79	905.39
Closing Stock	468.02	504.34
Cost of Materials consumed	**765.11**	**891.02**

Note: 28 Employee Benefits

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Wages	56,261.65	41,580.37
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	91.75	92.67
Salaries	2,197.48	1,860.88
Directors Remuneration	120.00	120.00
Other Employee Benefits	5,274.55	4,138.65
Director's Sitting Fees	6.00	6.00
Total	**63,951.42**	**47,798.58**

Note: 29 Finance cost

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Interest on Vehicle loans and other Term loans	82.48	100.99
Interest on Bank O/D	1,086.49	895.94
Interset On lease	52.61	24.10
Total	**1,221.58**	**1,021.02**

Note: 30 Depreciation and Amortization

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Depreciation of Property,Plant and Equipment	277.51	234.67
Depreciation of Right of use assets	171.96	127.04
Total	**449.47**	**361.71**

Note: 31 Other Expenses

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Advertisement Charges	9.13	11.83
Professional Fees	30.15	21.46
Internal Audit Fees	2.00	2.00
Business Promotion Expenses	9.26	5.23
Consultancy Charges	111.17	110.92
Conveyance	46.57	49.02
Bank Charges	48.51	38.76
Electricity Charges	31.84	29.97
Donation	29.68	32.22
CSR Expenses	8.84	6.65
Insurance	184.34	187.61
Rates and Taxes	41.55	30.49
Office Maintenance	70.15	72.48
Postage and Telegram	2.34	1.97
Printing and Stationery	39.26	47.84
Rent	119.13	122.95
Internet Charges	3.07	3.12
Telephone Charges	19.30	19.76
Travelling Expenses	71.08	74.53
Computer Maintenance	4.96	6.62
Vehicle Maintenance	72.37	59.22
NSDC Expenditure	-	8.63
NAPS Expenditure	13.21	16.81
Tender Expenses	5.87	-
Recuritment expenses	38.62	8.44
Annual Maintenance Charges	4.27	4.02
Software Expenses	46.60	39.68
Expected Credit Loss	31.51	25.02
Other expenses	20.62	17.84
Audit Fees		
Stautotory Audit	13.25	10.00
Tax Audit	3.00	3.00
Total	**1,131.64**	**1,068.09**

KAPSTON SERVICES LIMITED

Consolidated Notes Forming Part of IND AS Financial Statements for FY 2024-25

(All amounts are in Lakhs except share data or as otherwise Specified)

32. Changes in liabilities arising from financing activities.

For the year ended 31 March 2025

Particulars	Current Borrowings	Non-current Borrowings	Lease Liabilities
As at 01 April 2024	9,214.69	801.33	205.87
Borrowings made during the year	3,197.69	4,363.51	-
Borrowings repaid during the year		(1,468.87)	-
Recognition/termination of Lease Liability during the year	-	-	732.13
Accretion of Interest	-	-	52.61
Payment of lease liability including interest	-	-	(211.14)
As at 31 March 2025	**12,412.38**	**3,695.97**	**779.47**

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	-	-	151.69
Accretion of Interest	-	-	24.10
Payment of lease liability including interest	-	-	(176.05)
As at 31 March 2024	**9214.69**	**801.33**	**205.87**

33. 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 equity shares 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 Period Ended 31 March 2025	For the Period Ended 31 March 2024
Earnings		
Profit attributable to equity holders	1783.65	1257.07
Shares		
Number of shares at the beginning of the year	2,02,88,122	2,02,88,122
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the		
end of the year	**2,02,88,122**	**2,02,88,122**
Weighted average number of equity shares outstanding during the year - Basic (Nos)*	**2,02,88,122**	**2,02,88,122**
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)*	**2,02,88,122**	**2,02,88,122**
Earnings per share of par value Rs. 5/- Basic	**8.79**	**6.20**
Earnings per share of par value Rs. 5/- Diluted	**8.79**	**6.20**

Notes: The Shareholders of the Company, had approved the sub-division of one equity share of the face value of Rs. 10/- each into two equity shares of face value Rs. 5/- each w.e.f August 09, 2024. The basic and diluted EPS for the prior periods have been restated considering the face value of Rs 5/- each in accordance with Ind AS 33- **"Earnings per Share"** on account of the abovementioned sub-division of equity shares.

34. Auditor Remuneration

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Audit Fees	13.25	10.00
Tax Audit	3.00	3.00
Taxation Matters	-	-
Other services	-	-
Total *	**16.25**	**13.00**

* Excluding Taxes

35. 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 Group.

(a) List of Related parties of the Group is as below:

Names of related parties	Nature of Relationship
Dr. Chereddi Ramachandra Naidu	Chairman
Mr. Srikanth Kodali	Managing director
Mr. Naveen Nandigam	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 & Nominee Director in Kapston Security Services Private Limited
Ms. Triveni Banda	Company Secretary
*Mr. Kolala Somasekhar	Nominee Director in Kapston Manpower services Private Limited
*Shampooram Narsing Rao Syam sunder	Nominee Director in Kapston Manpower services Private Limited
*Penmatcha Sri Rama Venkatasurya Satyanaryana raju	Nominee Director in Kapston Manpower services Private Limited
*Reena Rekulgikar	Nominee Director in Kapston Manpower services Private Limited
*Nitya Menon	Nominee Director in Kapston Manpower services Private Limited
*Haraprasad Panda	Nominee Director in Kapston security services Private Limited
*Srinivas Chellampalli	Nominee Director in Kapston security services Private Limited
*Vishnu Bhopal Rao Mora Vittal	Nominee Director in Kapston security services Private Limited

Note:

Since they are nominee directors appointed by the company. They are not considered as interested or related parties in the transactions between the company and its subsidiaries.

(b) Transactions during the year

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Remuneration		
Mr. Chereddi Ramachandra Naidu	15.00	15.00
Mr. Srikanth Kodali	120.00	120.00
Mr. Kapil Sood	47.27	44.33
Ms. Kalluru Manaswini	-	6.54
Ms. Triveni Banda	8.41	2.66
Sitting fee		
Mr. Naveen Nandigam	2.00	2.00
Mr. Vanitha Nagulavari	2.00	2.00
Mr. Nageswara Rao Koripalli	2.00	2.00

(c) Balance Outstanding at

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Remuneration		
Mr. Srikanth Kodali	6.73	6.73
Mr. Chereddi Ramachandra Naidu	1.15	1.04
Mr. Kapil Sood	2.70	2.67
Ms. Triveni Banda	0.63	0.66

36. Segment Reporting

The Group concluded that there is only one operating segment i.e., Facility Management & staffing services. Hence, the same becomes the reportable segment for the Group. Accordingly, the group has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

37. Details of Employee Benefits

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Wages	56,261.65	41,580.37
Salaries	2197.48	1,860.88
Director remuneration	120.00	120.00
Other employee benefits	5,274.55	4,138.65
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	91.75	92.67
Total	**63,945.42**	**47,792.57**

Notes:(I) The Company operates defined benefit plan i.e., 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 group has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Group. 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 2025	For the Period Ended 31 March 2024
Defined Benefit obligation at the beginning	500.26	383.16
Interest cost	33.98	26.88
Adjustment	-	-
Current service cost	212.11	186.54
Benefits Paid	-59.30	-50.50
Actuarial/losses on obligation	71.39	-45.82
Obligation at the end of the year	**758.44**	**500.26**

(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 2025	For the Period Ended 31 March 2024
Current Service Cost	212.11	186.54
Past Service cost	-	-
Gain/(Loss) on settlements	-	-
Reimbursement of service cost	-	-
Total Service cost	**212.11**	**186.54**
Interest expense on DBO	33.98	26.88
Interest (income) on Plan assets	-	-
Interest (income) on Reimbursement rights	-	-
Interest expense on Asset ceiling /Onerous Liability	-	-
Total Net Interest cost	**33.98**	**26.88**
Reimbursements of Other Long-term benefits	-	-
Defined benefit cost Included in P&L	**246.09**	**213.42**
Remeasurements -Due to Demographic assumptions	-106.36	
Remeasurements -Due to Financial assumptions	-54.48	3.92
Remeasurements -Due to Experience adjustments	232.23	-49.74
(Return) on Plan assets (Excluding interest income)		-
(Return) on Reimbursement Rights		-
Changes in Asset ceiling /Onerous Liability		-
Total Remeasurements in OCI	**71.39**	**-45.82**
Total Defined Benefit Recognised in P&L and OCI	**317.48**	**167.60**

(c) Amount recognised in the statement of Financial Position

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Defined Benefit Obligation	758.44	500.26
Fair value of plan assets	-	-
Net asset/(Liability) recognised in Balance sheet	**758.44**	**500.26**

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

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Discount rate	7.%	7.22%
Retirement age	58	58
Future salary increases	2.00%	5.00%

38. Income taxes

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

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Current Tax Expense	0.21	-
Deferred tax Expense	-	-
Deferred tax Expense Benefit	(279.90)	(264.58)
Total income tax Expense/(Benefit) recognised	**(279.69)**	**(264.58)**

Income tax Expense/(Benefit) recognised in the Statement of other comprehensive income.

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Tax Effect on remeasurement of defined benefit Plans	17.97	(11.53)
Total income tax Expense/(Benefit) recognised	**17.97**	**(11.53)**

Reconciliation of Effective Tax Rate:

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Profit Before Income tax	1503.95	992.49
Enacted tax Rate in India	**25.17%**	**25.17%**
Computed Expected Tax Expense/(Benefit)	378.52	249.81
Tax Effect on		
Expense Not deductible for tax Purpose	200.70	164.53
Expense deductible for tax Purpose	107.41	101.17
Other deductions	625.40	426.98
Income tax Expense/(Benefit)	-153.59	-113.80
Effective tax rate	**-**	**-**

Deferred tax (Asset)/Liabilities (Net)

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Deferred tax asset on 80JJAA	864.88	679.59
Deferred tax asset on Property, Plant and Equipment	183.95	168.15
Deferred tax Assets on Right of Use assets	7.72	5.43
Deferred tax asset on Employee benefit obligations	208.87	114.38
Deferred tax asset on others	0.16	0.16
Net Deferred Tax Asset	**1265.58**	**967.71**

39. Contingent Liabilities

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Claims against the Group/Disputed Liabilities not acknowledged as debts	-	-
Bank Guarantee	1221.65	532.89
Total	**1221.65**	**532.89**

40. Financial Instruments

The Carrying value and fair value of financial instruments as at March 31, 2025 and March 31, 2024 were as follows:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying value	Fair value/ Amortised cost	Carrying value	Fair value/ Amortised cost
Trade Receivables	16,403.03	16,403.06	12,677.35	12,677.35
Loans and advances	-	-	-	-
Cash and cash equivalents	71.03	71.03	55.45	55.45
Other Bank balances	864.53	864.53	636.71	636.71
Other Financial Assets	1,798.92	1,798.92	1,963.65	1,963.65
Total	**19,137.51**	**19,137.51**	**15,333.16**	**15,333.16**
Borrowings	16,108.35	16,108.35	10,016.03	10,016.03
Trade payables	202.38	202.38	208.29	208.29
Lease Liabilities	779.47	779.47	205.87	205.87
Other financial liabilities	1,216.17	1,216.17	1,132.41	1,132.41
Total	**18,306.37**	**18,306.37**	**11,562.60**	**11,562.60**

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).

41. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The groups's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the groups'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 group 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 Group 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 Rs 19137.51 Lakhs and 15,333.16 Lakhs as at 31 March 2025 and 31 March 2024 respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets.

a. Trade Receivables

The Group'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 group grants credit terms in the normal course of business.

The total Trade Receivable as on March 31, 2025 is Rs 16,403.03 Lakhs and Rs12,677.35 lakhs as on March 31, 2024.

Particulars	As at 31 March 2025	As at 31 March 2024
Neither Past Due nor Impaired	7258.23	5,737.66
Past Due but no Impaired		
Less than 365 days	8970.32	6714.44
More than 365 days	174.48	225.25
Credit Impaired	104.21	72.70
Less: Allowance for credit Losses	-104.21	-72.70
Total	**16,403.03**	**12,677.35**

None of the group's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2025.

On account of adoption of Ind AS 109, the group 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 2025 and 31 March 2024 are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	**72.70**	**47.68**
Impairment of Trade receivables	31.51	25.02
Balance at the end of the year	**104.21**	**72.70**

None of the group's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2025.

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given in Note No 10. The age analysis has been considered from the due date.

B) Liquidity Risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group 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 Group'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 group'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 2025	As at 31 March 2024
Groups's Long-term debt	3695.97	801.34
Group's long term debt that will mature in less than one year from the reporting period	285.44	440.87
	8.37%	**55.01%**

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

Particulars	Carrying Value	On Demand	1 to 5 years	> 5 years
As at 31 March 2025				
Long term borrowings	3695.97	285.44	3410.53	-
Other financial liabilities	1216.17	1216.17	-	-
Trade payables	202.38	202.38	-	-
Lease Liabilities	779.47	143.75	635.72	-
Short term borrowings	12412.38	12412.38	-	-
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	-	-

The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group 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 group 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 Group'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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Considering the countries and economic environment in which the Group 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 2025	For the Period Ended 31 March 2024
FOB value of Imports	-	-
Professional Fees	-	-
Other Expenses	-	-
Total	**-**	**-**

Earnings in Foreign Exchange

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
FOB value of Imports	-	-
Professional Fees	-	-
Other Expenses	-	-
Total	**-**	**-**

42. Capital Management

The Group's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Group. The Group 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 2025	As at 31 March 2024
Total Debt	16,108.35	10,016.03
Total Equity	8,887.82	7,157.60
Debt to Equity Ratio	**1.81:1**	**1.40:1**

43. Corporate Social responsibility expenses

The CSR expenditure comprise of the following

a. Gross Expenditure required to be spent during the financial year 2024-25 is Rs.8.84 lakhs and Rs 7.65 lakhs of Previous Financial Year 2023-24.

b. Amount spent during the year is given below

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Preventing Health care including preventive health care	-	-
Slum Area Development Development of roads in slum areas	-	-
Rural area development	-	-
Eradicating hunger, poverty and malnutrition, promoting education, including special education and employment enhancing vocation skills	8.84	7.65
Kasturba Gandhi National memorial trust	-	-
Total amount spent	**8.84**	**7.65**

44. 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 2025	For the Period Ended 31 March 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	26.01	46.47
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	**26.01**	**46.27**

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

45. Leases

The Group take lease contracts for buildings. The leases generally have lease terms between 3-5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group 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 Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group 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 Period Ended 31 March 2025	For the Period Ended 31 March 2024
At the beginning of the year	**205.86**	**206.13**
Additions	736.43	151.68
Leases terminated	-4.30	
Accretion of interest	52.61	24.10
Payments Including Interest	211.14	176.05
At the end of the year	**779.47**	**205.86**
Current	**143.75**	**126.21**
Non-current	**635.72**	**79.65**

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 Group had total cash outflows for leases of Rs 211.14 Lakhs.

The Group 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 Group'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 9.75%, with maturity between 2029-30.

Particulars	For the Period Ended 31 March 2025	For the Period Ended 31 March 2024
Expense relating to leases of low-value assets	**53.60**	**57.42**
Expense relating to short-term leases	**65.53**	**65.53**
Variable lease payments	**-**	**-**
Total Lease Payments not considered as Lease payments under Ind AS 116	**119.13**	**122.95**

46. Other statutory information:

a. The group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

b. The group does not have any transactions with struck off companies.

c. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d. The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e. The Group 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 Group (Ultimate Beneficiaries) or

   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The group 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 group 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 group 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 Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

i. The Group 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 Group has borrowings from banks against security of its current assets. The reports or statements of Current assets filed by the Group with banks are in agreement with the books of accounts.

l. The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

47: Ratios as per schedule III requirements

Sl No	Particulars	FY 2024-25	FY 2023-24	% Change	Items Included in Numerator	Items Included in Denominator	Reason for change
1	Current Ratio (No of times)	1.36	1.40	-2.94%	Current Assets	Current Liabilities	
2	Debt Equity Ratio (No of times)	1.81	1.40	29.52%	Total Debt	Share holdersEquity	Due to increase in Bank Cash Credit Facilities for working capital requirement, Hence the debt equity ratio has been increased.
3	Return on Equity Ratio (No of times)	0.22	0.19	15.17%	Net profit after tax	Average Shareholders's Equity	
4	Trade Receivable Turnover Ratio (No of times)	4.74	4.50	5.43%	Credit Sales	Average trade receivables	
5	Inventory Turnover Ratio (No of times)	1.57	1.79	-12.19%	Raw Material consumed	Average Inventory	
6	Debt service coverage Ratio (No of times)	1.19	1.49	-20.18%	Earnings available for debt service	Interest on borrowings + Repayment of borrowings	
7	Trade Payable turnover Ratio (No of times)	3.73	4.38	-14.97%	Cost of material Consumed	Average Trade Payable	
8	Net Capital turnover Ratio (No of times)	11.66	10.25	13.79%	Revenue from Operations	Working capital	
9	Net Profit Ratio %	2.59%	2.42%	7.04%	Net profit after tax	Revenue from Operations	
10	Return on Capital employed (No of times)	0.21	0.26	-19.71%	Earnings before interest and taxes(EBIT)	Capital Employed(pre cash)	

(Amount in Indian rupees lakh, except share data and where otherwise stated)

Note: 48 Group Information

Information about subsidiaries

As at 31 March 2025									
Name of the Entity	Principal Activities	Net Assets (Total assets-Liabilities)"		Share in profit and Loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
		%	Amount	%	Amount	%	Amount	%	Amount
Holding Company Kapston Services Limited	Facility management and Staffing services	100.00%	8,887.55	99.98%	1,783.38	100.00%	-53.42	99.98%	1,729.95
Subsidiares Kapston Security Services Private Limited	Security Services	0.00%	0.10	-0.05%	-0.90	0.00%	0.00	-0.05%	-0.90
Kapston Manpower Services Private Limited	Staffing Services	0.02%	2.17	0.07%	1.17	0.00%	0.00	0.07%	1.17
Total		**100.02%**	**8,889.82**	**100.00%**	**1,783.65**	**100.00%**	**-53.42**	**19.47%**	**1,730.23**
Consolidation Adjustments		0.02%	2.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Net Amount		**100.00%**	**8,887.82**	**100.00%**	**1,783.65**	**100.00%**	**-53.42**	**100.00%**	**1,730.23**

As at 31 March 2024									
Name of the Entity	Principal Activities	"Net Assets(Total assets-Liabilities)"		Share in profit and Loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
		%	Amount	%	Amount	%	Amount	%	Amount
Holding Company Kapston Services Limited	Facility management and Staffing services	100.00%	7,157.60	100.00%	1,257.07	100.00%	34.29	18.04%	1,291.36
Total		**100.00%**	**7,157.60**	**100.00%**	**1,257.07**	**100.00%**	**34.29**	**18.04%**	**1,291.36**
Consolidation Adjustments		0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Net Amount		**100.00%**	**7,157.60**	**100.00%**	**1,257.07**	**100.00%**	**34.29**	**18.04%**	**1,291.36**

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH 17TH ANNUAL GENERAL MEETING (AGM) OF THE SHAREHOLDERS OF KAPSTON SERVICES LIMITED ("THE COMPANY") WILL BE HELD ON WEDNESDAY, THE 24TH DAY OF SEPTEMBER, 2025 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 consider and adopt the Audited Financial Statements of the Company, both Standalone & Consolidated, for the year ended March 31, 2025 together with the Reports of the Board of Directors ('the Board') and Auditors thereon.**

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

   "**RESOLVED THAT** the Audited Financial Statement of the Company, both Standalone & Consolidated, for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

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

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

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

Special Business

3. **To appoint M/s. VCAN & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for the appointment of M/s. VCAN & Associates, Company Secretaries (CP No: 27836 and Peer Reviewed Certificate No. 6565/2025) as the Secretarial Auditors of the Company for a term of five (5) consecutive financial years, commencing from FY 2025-26 to FY 2029-30 at a remuneration of Rs. 2,00,000/- (plus applicable taxes) for the FY 2025-26, and at such remuneration as may be decided by the Board of Directors of the Company in mutual consent with the Secretarial Auditors, for subsequent years and on such terms and conditions as may be decided by the Board of Directors from time to time.

"**RESOLVED FURTHER THAT** Mr. Srikanth Kodali, Managing Director and/or Ms. Triveni Banda, Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution."

For **Kapston Services Limited**
Sd/-
Triveni Banda
Company Secretary
M.No. A68042

Place: Hyderabad
Date: August 04, 2025

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, **Ms. Kanti Kiran Doddapaneni (DIN: 07420023),** Non-Executive Director, retires by rotation at the AGM. Nomination and Remuneration Committee and the Board of Directors of the Company recommend her re-appointment.

   Details of **Ms. Kanti Kiran Doddapaneni (DIN: 07420023),** Non-Executive Director, retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the **"ANNEXURE-A"** 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 2024-25 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company/RTA, unless the Members have requested for a physical copy of the same. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant. For any communication, the Members may also send requests to the Company's email id: **cs@kapstonservices.com.**

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. All documents referred to in the accompanying notice will be available for inspection at the corporate office of the company during business hours on all working days till the date of AGM of the Company.

14. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of name appears as per the Register of Members of the Company will be entitled to vote.

15. Route map to the venue of the AGM is published in the Annual Report.

By order of the Board
For **Kapston Services Limited**
Sd/-
Triveni Banda
Company Secretary
M.No. A68042

Place : Hyderabad
Date : August 04, 2025

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

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 17^{th} Annual General Meeting (AGM) to be held on **Wednesday, the 24^{th} Day of September, 2025**. 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 17, 2025** are entitled to vote on the resolutions set forth in this Notice.

The e-voting period begins on **September 21, 2025 at 09:00 A.M. and ends on September 23, 2025 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 the 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, Practicing Company Secretary,** Hyderabad, to act as the Scrutinizer, to scrutinize the electronic voting process and poll at the Annual General Meeting (AGM) in fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

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 December 9, 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 necessiates 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 credentials, 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.

1. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	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 is **https://web.cdslindia.com/myeasitoken/home/login** or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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/myeasitoken/Registration/Easi** Registration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link **https://evoting.cdslindia.com/Evoting/EvotingLogin** The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. 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 click at **https://eservices.nsdl.com /SecureWeb/ Ideas Direct Reg.jsp** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following **URL: https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be redirected to i-**Vote** website for casting your vote during the remote e-Voting period. For OTP based login you can click on **https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp.** You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page with all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-vote** (E-voting website) for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting..
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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.com** or contact at 022-23058738 and 022-23058542-43.
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 user id.
  - 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 **"IN FAVOUR"**, **"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.

3. 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 Bigshare i-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, 022-62638338.

General Instructions:

i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 17, 2025.

ii. 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) www.nseindia.com.

iii. The voting result will be announced by the Chairman or any other person authorized within two working days.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

Item No: 3

In accordance with the provisions of Section 204 of the Companies Act, 2013 (the "Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on August 04, 2025 have appointed M/s. VCAN & Associates, Practicing Company Secretaries (Peer review certificate No. 6565/2025) as the Secretarial Auditor of the Company for a period of 5 (five) consecutive years, from April 01, 2025, to March 31, 2030, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

M/s. VCAN & Associates is a peer reviewed practicing company secretaries firm with over a decade of experience in corporate compliance and governance. the firm has established a strong presence across diverse industries such as technology, construction, healthcare, manufacturing, financial services, and hospitality. The firm specializes in Secretarial Audit and a wide range of regulatory and legal services under the Companies Act, 2013, SEBI Regulations, FEMA, and Foreign Trade Policy, etc.

M/s. VCAN & Associates, Practicing Company Secretaries, have given their consent to act as the Secretarial Auditors of the Company, confirmed that their appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors as per the Company Secretaries Act, 1980 and rules and regulations made thereunder and ICSI Auditing Standards.

The terms and conditions of the appointment of M/s. VCAN & Associates include a tenure of 5 (five) consecutive years, commencing from April 01, 2025 to March 31, 2030 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) (Plus applicable taxes and out of pocket expenses) and amend as may be mutually agreed between the Board and the Secretarial Auditors. The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditors, which is in line with the industry benchmark. The payment for permitted services in the nature of certifications and other professional work will be in addition to the Secretarial audit fee and shall be determined by the Board. Accordingly, approval of the shareholders is sought for the appointment of M/s. VCAN & Associates as the Secretarial Auditors of the Company.

None of the Directors or any key managerial personnel and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at Item No. 3.

Accordingly, the Board recommends the resolution at Item No. 3 as an Ordinary Resolution for approval of the members.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Particulars	Details
Proposed Secretarial Auditor	M/s. VCAN & Associates, Company Secretaries.
Basis of Recommendation	The Board and the Audit Committee, after considering various factors, such as independence, industry experience, technical skills, audit team, audit quality reports, etc., have recommended M/s. VCAN & Associates, Company Secretaries (Peer reviewed firm No. 6565/2025), to be appointed as the Secretarial Auditors of the Company. The Company has received written consent from M/s. VCAN & Associates, Company Secretaries, and a certificate stating that they satisfy the qualification criteria provided under SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 ("SEBI Circular") and that the appointment, if made, shall be in accordance with the applicable provisions of the Act, Rules framed thereunder, SEBI Listing Regulations, SEBI Circular and other applicable circulars, if any, in this regard.
Credentials of Proposed Secretarial Auditor	M/s. VCAN & Associates is a more than a decade old Hyderabad based firm of Company Secretaries, with specialization across secretarial audits, corporate laws, securities laws, including corporate governance, capital markets etc. M/s. VCAN & Associates is a peer reviewed firm (PR No.6565/2025) in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and guidelines issued by the Institute of Company Secretaries of India (ICSI). The firm offers advisory and compliance services under Corporate Laws, SEBI Regulations, FEMA Regulations etc.,
Term of Appointment	M/s. VCAN & Associates is proposed to be appointed for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30.
Proposed Fees	The proposed fees payable to M/s. VCAN & Associates is Rs. 2,00,000 per annum. The said fees shall exclude GST, certification fees, applicable taxes, reimbursements and other outlays. The authority to decide the remuneration for the balance period of the tenure has been delegated to the Board of Directors which shall be decided mutually by them and the secretarial auditor.

ANNEXURE-A TO THE NOTICE FOR AGM

A	**Name**	**Ms. Kiran Doddapaneni Kanti**
	Directors Identification Number	07420023
B	Brief Resume	
	i) Age	45 Years (August 16, 1979)
	ii) Qualification	Master's degree in arts from University of Hyderabad
	iii) Experience (including expertise in specific functional area/Brief Resume)	17 years of experience in Administration and Human Resources-related Operations.
	iv) Date of initial appointment on the Board of the Company	January 11,2018
C	Names of other companies in which she 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	3,76,004 Equity Shares
F	Relationships between other Directors Inter-se	Spouse of Mr. Kodali Srikanth, Managing Director.

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 17th Annual General Meeting of the company held on Wednesday, the 24th Day of September, 2025 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

Shareholder/Proxy/

Signature of
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 17th AGM of the company to be held on Wednesday, the 24th Day of September, 2025 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 consider and adopt the Audited Financial Statements of the Company, both Standalone & Consolidated, for the year ended March 31, 2025 together with the Reports of the Board of Directors ('the Board') and Auditors thereon.		
2.	To appoint a Director in place of Ms. Doddapaneni Kanti Kiran (DIN: 07420023), who retires by rotation and being eligible, offers herself for re-appointment as a Director.		

Special Business

3.	To appoint M/s. VCAN & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company.		

Affix
Revenue
Stamp

Signed this .... day of 2025

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.

Forward-looking statements

Some information in this report may contain forward- looking statements regarding Company's expected financial position and results of operations, business plans and prospects etc and are generally identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. Forward- looking statements are dependent on assumptions or basis underlying such statements. We have based these assumptions in good faith, and we believe they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward- looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Notes:

Notes:


GENERAL STAFFING
SECURITY
IT STAFFING
WE COMMIT TO MAKE IT HAPPEN
NOW
HOUSE KEEPING
NAPS & NATS
ENGINEERING
RPO
HTD

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

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Ph : +91 98487 78243 / +91 96405 04050 | E-mail: cs@kapstonservices.com

Website: www.kapstonservices.com