

MESSAGE FROM THE CHAIRMAN

Dear Shareholders

Hearty welcome to our FY20 annual report. The year has been significant with respect to our financial and operational performance. Our revenue grew 45% year on year with Kapston brand equity helping us to retain our clients and also gain new clients. We increased our human resources strength which is our key asset. We also rationalized our client portfolio by moving out of unviable accounts. Our margins were marginally impacted due to increased capex on the new corporate office and the increase in our senior & middle management team strength. We hope to improve the profit margins at the earliest.

Work environment of employees, if designed effectively and appropriately, leads to increased productivity. During the year we moved into our new spacious corporate office, the ambience of which is architected in a contemporary manner. We also opened our Branch office in Bangalore for expanding our service footprints in India's electronic city. During the year our Company's Equity Listing migrated to the Main Board of the National Stock Exchange of India.

Among the integrated facility management services companies, we are one of the fastest growing. To align

our growth initiatives with our operational efficiencies we expanded our manpower by adding considerably a good number of people across all our functional areas. We have added a new vertical namely Staffing Services this year and have already started earning reasonable revenue from this new business segment.

How we performed

During the financial year 2019-20, our revenue increased to ₹ 21,348 lakhs compared to the previous Financial year 2018-19 which stood at ₹ 14,728 lakhs, At the same time Profit after tax increased from ₹ 855 lakhs (FY 2019) to ₹ 1039 Lakhs (FY2020) –a 19% increase year on year. Therefore, our EPS has increased to ₹ 10.05 from ₹ 8.44. Since 2014-15 we have registered a CAGR of 31.37% which is an outstanding performance in our industry.

Corporate Social Responsibility (CSR)

We continue to support the society through our CSR initiatives. During the FY ending 2020 we contributed an amount of ₹ 5.4 lakhs towards Swachh Bharath programme. During the current year, our company contributed ₹ 10 lakhs each to PM's relief fund and to the Govt of Telangana for combating COVID-19. An additional ₹ 1 lakh was contributed to an NGO working in COVID relief activities.

We are continuing our partnership with NSDC and in FY20 we trained as many as 13690 students as against a target of 11820.

Going forward we expect short term and mid-term impact of COVID-19 on our business. However, our long term prospects are encouraging since the demand for quality security and other facility management services is constantly increasing. We are well equipped to capitalize on this emerging trend and retain our growth momentum.

Stay Safe

Regards

Sd/-

Dr. Chereddi Ramachandra Naidu

Executive Chairman

