

Annexure I

CORPORATE GOVERNANCE REPORT

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

The Company's shares are listed on:

S. No	Name of the Stock Exchange	Date of Listing
1	National Stock Exchange of India Limited	04-04-2018

Kapston Facilities Management Limited which was originally listed on NSE Emerge w.e.f 4th April, 2018 has migrated to Main Board of National Stock Exchange of India Limited with effect from 27th May, 2020.

The Corporate Governance Report has been prepared in accordance with Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V thereto.

1. CORPORATE GOVERNANCE PHILOSOPHY

- The Company is committed to the highest standards of Corporate Governance Practices.
- The Company relies on strong corporate governance systems and policies of business for healthy growth, accountability and transparency. Good corporate governance will certainly help the Board and the management to carry out the objectives effectively for the benefit of the Company and its shareholders.
- The Company endeavors to ensure that highest standards of ethical conduct are maintained throughout the organization.
- 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

- The board of Directors along with its committees provides focus and guidance to the Company's management and also directs and monitors the performance of the Company.
- The Board presently (on 14th August, 2020) comprises of Six (6) Directors having rich and vast experience with specialized skills in their respective fields. Out of them two (2) are Executive Directors and Four (4) are Non-Executive Directors including two Woman Directors. There are three Independent Directors on the Board.
- The Company has an Executive Chairman (Non-Promoter). The Executive Chairman and the Managing Director manage the day-to-day affairs of the Company. The Board has an optimum combination of Executive and Non-Executive directors
- All the directors on the Board of the Company have made necessary declarations/disclosures regarding their other directorships along with committee positions held by them in other companies.

a) Composition and Category of directors as on March 31, 2020:

Category	No. of Directors
Promoter, Executive Director	1 (One)
Promoter, Non-Executive Director	1 (One)
Non-promoter, Executive Director (Chairman)	1 (One)
Non-Executive Independent Directors	2 (Two)
Total	5 (Five)

On 29th April,2020, Mr. Nageswara Rao Koripalli (DIN 08734786) was appointed as Independent Director, so as to comply with the provision of Regulation 17 of SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015 as the said provisions were exempted when the Company was listed on NSE Emerge (SME Platform).

The present composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Directors	Category
Mr. Srikanth Kodali	Managing Director (Promoter, Executive)
Dr. Chereddi Ramachandra Naidu	Chairman (Non-Promoter, Executive)
Mr. Naveen Nandigam	Director (Independent, Non-Executive)
Mrs. Vanitha Nagulavari	Director (Independent, Non-Executive)
Mrs. Kanti Kiran Doddapaneni	Director (Promoter Group, Non-Executive)
Mr. Nageswara Rao Koripalli (w.e.f 29 th April,2020)	Director (Independent, Non-Executive)

b) Attendance of each director at the Board meetings held during the year 2019-20 and at the last Annual General Meeting

Sr. No.	Name of the Director	Category	No. of Board Meetings during the Year 2019-20		Attendance at AGM held on 27.09.2019	@No. of Directorships held in other Companies (excluding Kapston)	#Committee	
			Held	Attended			Chairmanship	Membership
1	Dr. Chereddi Ramachandra Naidu	Chairman, Non Promoter -Executive -	5	5	Yes	1	0	0
2	Mr. Srikanth Kodali	Managing Director - Promoter	5	5	Yes	NIL	0	2
3	Mr. Naveen Nandigam	Independent Director	5	4	Yes	3	4	4
4	Mrs. Vanitha Nagulavari	Independent Director	5	5	Yes	3	2	0
5	Mrs. Kanti Kiran Doddapaneni	Promoter Group Non-Executive Director	5	5	No	NIL	1	1
6	Mr. Radha Krishna Pinnamaneni *	Non-Executive Director (Promoter till 22 nd May,2020)	1	1	NA	NIL	0	0

@ Note: Excluding directorship in foreign companies and companies incorporated u/s. 8 of the Companies Act, 2013, but including private limited companies.

Excluding the Company whose status is "Strike Off" as per data available with Ministry of Corporate affairs.

Only Membership and Chairmanship of Audit and Stakeholders Relationship Committees of public limited companies including Kapston Facilities Management Limited is considered.

* Mr. Radha Krishna Pinnamaneni (DIN 03324910) Non-Executive Director has resigned from the Board with effect from 01st July,2019. He was entitle to attend only one board meeting during the year under review.

Details of directorships of aforesaid Directors, in other listed entities as applicable are given below:

S.No	Name of the Director	Name of the Listed Entity	Category
1	Mr. Naveen Nandigam	1. Avantel Limited 2. Tanvi Foods (India) Limited	Independent Director .
2	Mrs. Vanitha Nagulavari	1. Genesis IBRC India Limited	Non-Executive Director.

c) Number of board meetings held during the year under review:

During the year under review, Five (5) board meetings were held, on the following dates.

20 th May, 2019	26 th August, 2019	11 th November, 2019	14 th December, 2019	25 th February, 2020
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In compliance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the intervening period between two consecutive meetings did not exceed one hundred and twenty days (120 days).

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. Further, no director is acting as independent director of more than seven listed companies and if he is a whole-time director of a listed Company, more than three companies.

Disclosure of Relationships between the Directors *inter-se*:

Except Mr. Srikanth Kodali (Promoter- Director) and Mrs. Kanti Kiran Doddapaneni (Promoter Group-Director) who are related to each other, no other Director has any relationship with any other Director. The Shareholding of Non-Executive Directors is as follows:

S.No	Name and designation of the director	No of shares held
1.	Mrs. Kanti Kiran Doddapaneni Promoter Group	188002
2.	Mr. Naveen Nandigam Independent Director	2800
3.	Mrs. Vanitha Nagulavari Independent Director	18200
4.	Mr. Nageswara Rao Koripalli Independent Director	4200

Familiarization programmes imparted to Independent Directors:

The details of the programmes conducted by the Company for the familiarization of Independent Directors are posted on the Company's website under the web link: https://www.kapstonfm.com/images/PDF/Familiarisation_Programme.pdf

The matrix presenting the directors' area of expertise against their experience in the respective field is specified hereunder:

The list of core skills / expertise / competencies which are identified by the Board of Directors as required in the context of the business of the Company to function effectively are:

- a. Business and Administration
- b. Finance and accounts
- c. Legal and governance
- d. Industry knowledge
- e. Risk management
- f. Analytical skills
- g. Financial Management
- h. Human Resource Management

Name of Director	Designation	Years of experience	Field of expertise
Dr.Chereddi Ramachandra Naidu	Chairman, Executive	43 years of experience	Business and Administration, Industry Knowledge.
Mr. Srikanth Kodali	Managing Director - Promoter	18 years of experience in Security and Facilities Management Services. 4 years of experience in other field.	Business, Administration, Industry Knowledge, Risk Management.
Mr. Naveen Nandigam	Independent Director	30 years of experience	Financial, Audit and Accounting
Mrs. Vanitha Nagulavari	Independent Director	11 years of experience	Legal, Secretarial and Compliance.
Mrs. Kanti Kiran Doddapaneni	Non-Executive Director – Promoter Group	12 years of experience	Human Resource Management, Industry Knowledge.
Mr. Nageswara Rao Koripalli	Independent Director	32 years of experience	Financial Management, Taxation and Legal Aspects

Confirmation that in the opinion of the Board the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management:

The Board of Directors confirms that in its opinion the Independent Directors fulfill the conditions specified by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

No Independent Director resigned before their tenure during the Financial year under review. However, Mr. Radha Krishna Pinnamaneni, (DIN 03324910) Non-Executive Director (Promoter till 22nd May,2020) has resigned as Director with effect from 01st July,2019.

Meeting of Independent Directors:

A meeting of the Independent Directors was held on 25th February, 2020, *inter alia*, to review the performance of the Non- Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Regulation 25 read with Schedule IV of the Companies Act, 2013 and are independent of the management.

3. COMMITTEES OF DIRECTORS

A. Audit Committee

Brief description and terms of reference:

The Company has constituted a qualified and independent Audit Committee comprising of 2/3 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 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, name of members and chairperson:

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

Meetings and attendance during the Year 2019-20

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 the meeting
20 th May, 2019	3
26 th August, 2019	3
11 th November, 2019	3
25 th February, 2020	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.

B. 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 others of their appointment to 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://www.kapstonfm.com/images/PDF/Nomination%20and%20Remuneration%20Policy.pdf>

Composition, name of members and chairperson

The NRC comprises of Three (3) Non-Executive Directors. The composition of the Nomination and Remuneration Committee is as follows:

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

Meetings and attendance during the year 2019-20

During the year Two (02) meetings of the Nomination and Remuneration 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
26 th August, 2019	3
25 th February, 2020	3

Performance evaluation criteria for Independent Directors:

Independent Directors have three key roles to play; those are:

- Governance
- Control
- 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, the individual directors and the same 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.

Performance evaluation was done by the respective bodies on 25th February, 2020.

Remuneration of Directors:

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

Category of Payment	₹ in lakhs (P.a)	
	Mr. Srikanth Kodali (Managing Director)	Dr. Chereddi Ramachandra Naidu (Executive Chairman)
Remuneration – Fixed Component	120	15
Total	120	15

Apart from the above, Executive Chairman and Managing Director is also eligible other benefits in terms of his appointment and as per the HR policies of the Company. The contract is terminable by either party on 3 months' notice or pay in lieu thereof;

Sitting Fee paid to Non-Executive Directors and their shareholding as on 31st March,2020 is as follows:

Name of the Director	Designation	Sitting fees paid (₹ in lakhs)	No. of shares held on 31-03-2020
Mr. Naveen Nandigam	Independent Director	1.5	2800
Mrs. Vanitha Nagulavari	Independent Director	2	18200
Mrs. Kanti Kiran Doddapaneni	Non- Executive Director (Promoter Group)	Nil	188002

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.

Mrs. 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.

C. Stakeholders' Relationship Committee

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

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

During the financial year under review, only one Stakeholder Relationship Committee meeting was held on 25th February, 2020, and all the members of the Committee attended the meeting.

The Stakeholders' Relationship Committee is empowered to oversee the 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	Mrs. Kanti Kiran Doddapaneni
Name and designation of the Compliance Officer	Ms.Amreen Gulnaaz, Company Secretary and Compliance Officer Address : Corporate Office, Plot No 75, Kavuri Hills, Madhapur, Hyderabad. Email : cs@kapstonfm.com
Number of Shareholders' Complaints received in FY2019-20	Nil
Number of Complaints not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

D. Corporate Social Responsibility Committee (CSRC).

The Board constituted a CSR Committee as per the provisions of Section 135 of the Companies Act, 2013 and entrusted the responsibility to comply with the said provisions to such Committee. The composition of the CSR Committee is as under:

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

Meetings and attendance during the year 2019-20

During the year Two (02) meetings of the CSR 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
26 th August, 2019	3
25 th February, 2020	3

GENERAL BODY MEETINGS

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

Financial Year Ended	Date	Venue	Time	Special Resolution Passed
31 st March, 2019	27 th September, 2019	Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033	11.30 A.M	Nil
31 st March, 2018	28 th September, 2018	Daspalla Hotel, Road No.37, CBI Colony, Jubilee Hills, Hyderabad, Telangana 500033	11.30 A.M	Nil
31 st March, 2017	29 th September, 2017	Registered office: Plot No 287,MIG-2,IX Phase, KPHB, Kukatpally, Hyderabad, Telangana - 500072	11.30 A.M	Nil

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
2019-20	11 th January,2020	Corporate Office of the company situated at Plot No 75, Kavuri Hills, Madhapur, Hyderabad - 500034	10.30 a.m	<ul style="list-style-type: none">• Authorisation to the Board of Directors to Mortgage /Charge /Hypothecate Property(ies) /Undertaking(s) of the Company.• Increase in the borrowing powers of the company.
2018-19	-	-	-	-
2017-18	22 nd Feb,2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	10.00 a.m	<ul style="list-style-type: none">• Issue of shares through Initial Public Offer (IPO).• Keeping Registers and Returns at the Corporate Office of the Company

Financial year ended	Date	Venue	Time	Special Resolution passed
2017-18	14 th Feb,2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	10.00 a.m	NIL
2017-18	29 th Jan,2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	04.00 p.m	<ul style="list-style-type: none"> • Appointment of Mr. Srikanth Kodali as Managing Director of The Company. • Appointment of Mrs. Kanti Kiran Doddapaneni as Whole Time Director of The Company.
2017-18	11 th Jan,2018	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	11.00 a.m	<ul style="list-style-type: none"> • Conversion of Private Company to Public Company • Adoption of New Set of Articles of Association
2017-18	1 st Aug,2017	Registered Office - Plot No 287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad, Telangana-500072.	10.00 a.m	<ul style="list-style-type: none"> • Issue of Bonus Shares

Postal Ballot

Financial year ended	Date of Declaration of Results	Person who conducted the Postal ballot Exercise	Procedure for Postal Ballot	Whether any Special Resolution is proposed and Passed through postal Ballot – details of voting pattern
2019-2020	28 th March,2020	CS D S Rao, Practicing Company Secretary, Hyderabad was scrutinizer for the Postal Ballot	The procedure for postal ballot is as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014	<p>Migration of the Company's equity shares from NSE Emerge platform of National Stock Exchange of India Limited to Main Board of National Stock Exchange of India Limited</p> <hr/> <p>No. of valid postal ballot and electronic votes 49</p> <hr/> <p>No of Equity Shares 21,47,112 (all votes are in favour)</p> <p>Note: As per Regulation 277 of SEBI(ICDR) Regulations promoters should not participate in voting for the above mentioned resolution. Therefore, the promoters did not participate in the voting.</p>

MEANS OF COMMUNICATION.

a. Half-Yearly Results (as the Company was listed on NSE Emerge on March 31,2020)

Half-yearly and annual results are published in two Newspapers- one in English and one in Telugu.

With effect from 27th May,2020, NSE has approved migration of equity shares of Kapston Facilities Management Limited to Main Board of National Stock Exchange of India Limited, therefore quarterly compliance related to Financial Results will be applicable from this Financial year i.e FY 2020-21.

Annual Reports with audited financial statements are sent to shareholders through permitted mode.

b. Newspapers wherein results are normally published

The results are normally published by the Company in the newspapers (Business Standard) in English version and in regional newspaper (Nava Telangana - Telugu) in the vernacular language in all editions.

c. Any website, where displayed.

The results are also published on the Company's website: www.kapstonfm.com.

d. 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.

e. Presentations made to institutional investors or to analysts:

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

GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting Date and Time:	September 30,2020 at 11.30 a.m		
Venue:	At the Corporate office of the Company situated at Plot No.75,Kavuri Hills, Madhapur,Hyderabad-500034.		
Last Date of Proxy forms submission	48 Hours before the Meeting i.e September 28,2020		
Period Date for exercising e-voting	27-09-2020 to 29-09-2020		
Financial Year	01 st April, 2019-31 st March, 2020		
Book Closure	NA		
Dividend Payment Date	No Dividend is declared or proposed during the Financial Year		
Name of the Stock Exchange	National Stock Exchange of India Limited, "EXCHANGE PLAZA", 5 th Floor, Plot No. C/1, G Block, Bhandra- Kurla Complex, Bandra (E), Mumbai		
Stock Code	Name of the Stock Exchange	Stock Code	Scrip Code
	NSE	N.A	KAPSTON

Listing fees to the stock exchange and Annual custodian fees to depositories for the year 2020-21 have been paid.

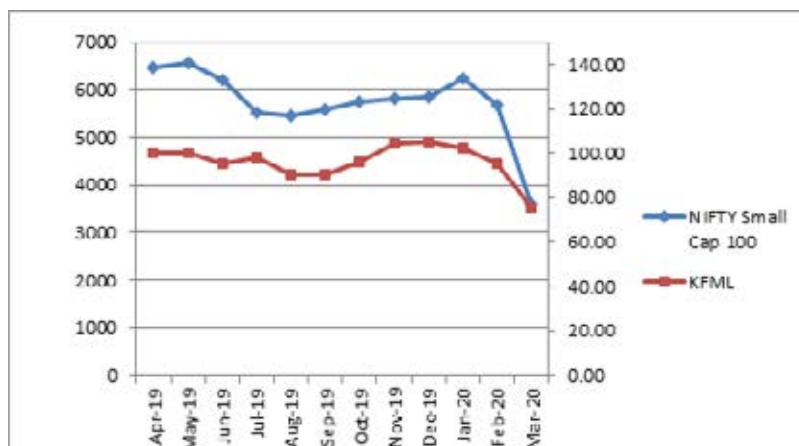
Market price data & Share performance of the Company:

The monthly high, low and trading volumes of the Company's equity shares during the financial year 2019-20 at NSE Emerge (SME Platform) of National Stock Exchange of India Limited (NSE) are given below:

Month	NSE EMERGE		
	High (₹)	Low (₹)	Volume
April, 2019	99.95	99.95	1200
May, 2019	100.00	100.00	18000
June, 2019	95.00	95.00	21600
July, 2019	98.00	98.00	12000
August, 2019	90.00	90.00	6000
September, 2019	98.09	85.01	72000
October, 2019	96.00	96.00	14400
November, 2019	104.00	104.00	32400
December, 2019	105.00	105.00	10800
January, 2019	102.00	81.00	16000
February, 2019	95.00	95.00	144200
March, 2019	76.00	76.00	9800

Share Performance of the Company in comparison with NIFTY Small Cap 100 CNX NIFTY v/s KAPSTON (KFML) Close Price

Note : Kapston's share price is compared with NIFTY Small Cap 100 as the Company's shares were listed on NSE Emerge as on March 31,2020.



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.

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, 3 rd Floor Amrutha Ville, Opp. Yashoda Hospital Somajiguda Rajbhavan Rd Hyderabad, Telangana- 500082.
Telephone Numbers	040-2337 4967/ 040-2337 0295
Contact Person	R. Amarendranath
Email id:	amarendranath.r@bigshareonline.com bsshyd@bigshareonline.com
Website	www.bigshareonline.com

Share Transfer System

Bigshare Services Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent. Share transfers are registered and processed in the normal course within a period of less than 15 days from the date of receipt if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrar and Share Transfer Agent has been delegated the power of share transfer to expedite the transfer formalities, which is in line with Schedule VII and Regulation 40 of the SEBI (Listing Obligations and Disclosure Regulations) 2015.

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

Distribution of shareholding (in shares) as on 31st March, 2020.

S.No	Shareholding of Nominal	No of Shareholders	% of total	No.of Shares	% to Total share
1.	1001-2000	90	51.4286	126318	1.2452
2.	2001-3000	21	12.00	58800	0.5796
3.	4001-5000	10	5.7143	42000	0.4140
4.	5001 - 10000	14	8.0000	94254	0.9292
5.	10001-9999999999	40	22.8571	9822689	96.83
	Total	175*	100	10144061	100

The total number of shareholders i.e 175 includes shareholders who hold two Demat accounts with same PAN. Therefore, the actual shareholders as on 31st March, 2020 is 173.

Shareholding Pattern as on 31st March, 2020:

Category	No of Shares Held	Percentage of Capital
Indian Promoters	7391695	72.867
Banks, Financial Institutions, and Mutual Funds	Nil	-
Foreign Portfolio Investors and Foreign Institutional Investors	Nil	-
Indian Public and HUF	2742566	27.036
Private Corporate Bodies/Body Corporate	9800	0.097
NRI/OCB's/FCB and Foreign Nationals	Nil	-
Others	Nil	-
Total	10144061	100

Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of Shareholders	% of total shareholders
10144061	100	173	100

The breakup of Shares in demat and physical form as on 31st March, 2020 is as follows.

Particulars	No. of shares of ₹ 10 /- each	% of Shares
Demat Segment		
NSDL	2280826	22.48
CDSL	7863235	77.52
Sub-total	10144061	100.00
Physical Segment	Nil	----
Total	10144061	100.00

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

No GDR/ADRs/ warrants or any convertible instruments have been issued by the Company during the year under review or are outstanding as at the end of the financial year 2019-20.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

The Company is not involved in any such activity.

Our Branches

In addition to our Registered Office, Corporate Office and Recruitment Office situated at Hyderabad, we have Four (4) 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	Plot No. 287, MIG - 2, IX Phase, KPHB, Kukatpally, Hyderabad - 500 072	Recruitment, Administration, Training
3	Recruitment office	2 nd floor, Vashita Bhavan, HIG-9A and 10A, AP Housing board colony, Gachibowli. Serilingampally - 500032	Recruitment
4	Vizag	50-49-25/1, 2 nd Floor, TPT Colony, Seethammadhara, Opp. NRI Hospital Vishakapatnam – 530013	Recruitment, Administration, Training
5	Vijayawada	GF-4, Anjana Apartments, Water tank road, Labbipet, Vijayawada – 520010	Recruitment, Administration, Training
6	Bengaluru	2 nd Floor, RPR complex, site It, 4 52, 1 st stage, 2 nd Main Road, Kamadhenu Layout, B. Narayanapura, Bangalore - 560043.	Recruitment, Administration, Training
7	Chennai	#5/643, Plot No 61, Annai Indira Nagar main road, Okkiyam, Thoraipakkam, Chennai – 600097.	Recruitment, Administration, Training

Our Training Centres

S.No.	State	Location	Address
1	Telangana	Hyderabad	Kapston Training Academy, Survey No 132 & 133, Kandlakoya, Kompally, Hyderabad, Telangana- 501401
2			Kapston Training Academy, H.No. 1-1-31/1, Budvel, Under GHMC, Rajendranagar Circle, Rangareddy, Hyderabad, Telangana- 500030
3			Kapston Training Academy, Plot No. 287, MIG - 2, IX Phase, KPHB Colony, Hyderabad, Telangana- 500072
4	Karnataka	Mysore	Kapston Training Academy, 2 nd Floor, MES High School Campus, Ummar Khyam Road, Tilak Nagar, Mysore, Karnataka-570021
5	Odisha	Odisha	Kapston Training Academy, Hi-Tech Institute of Technology, Barunei Industrial Estate, Near NH-16, Khurda, Odisha- 752057
6			Kapston Training Academy, Subhas Institute of Technology, Plot No. 972,973, Gyan Vihar, Baranga, Cuttak, Odisha- 754005
7	Maharashtra	Aurangabad	Kapston Training Academy, Rajashri Shahu Institute of Management, Plot no 75, Near Wokard Company, Chikalthana, MIDC, Aurangabad- Maharashtra -431006

Address for Correspondence:

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

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

Kapston Facilities Management Limited has obtained credit rating from “Acuite Rating and Research” and they have reaffirmed their credit rating vide its letter dated Jan 30,2020, the credit rating details are as follows

Long Term Instruments	ACUITE BBB
Short Term Instruments	ACUITE A3+

4. 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. The Company does not have any subsidiary or associate company or group company, therefore Related Party Disclosure as required under Schedule V of SEBI(LODR) Regulations is not applicable.

The Remuneration paid to Managing Director and Executive Chairman is approved by Shareholders as per the provisions of Companies Act,2013. Policy for Related Party Transactions is hosted on the Company’s website at https://www.kapstonfm.com/images/PDF/Related_party_policy.pdf.

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 was no instance of non-compliance pertaining to stock exchanges, statutory authority or any other capital market regulator during the preceding three years (Kapston is listed w.e.f 04-04-2018).

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

The Company has formulated a Whistle Blower Policy and has also established a vigil mechanism for employees and directors to report genuine concerns and instances of fraud/ illegal activities and no personnel had been denied access to the Audit Committee. The Policy is placed on the website of the Company under the web link: <https://www.kapstonfm.com/images/PDF/Whistle%20blower%20policyyy.pdf>. As per the Policy and Internal Code of Conduct all personnel of the Company have been given access to the Chairman of Audit Committee.

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 a maximum extent.

E. Policy for determining “material” subsidiaries.

The Company does not have any subsidiary. Therefore, the Company did not adopt any policy on “Material Subsidiary”.

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

The Board has formulated a policy on Related Party Transactions and has revised it from time to time in the light of amendments to the Listing Regulations and the same is available on the Company’s website under the web link: https://www.kapstonfm.com/images/PDF/Related_party_policy.pdf.

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

The Company is not dealing in any commodities.

H. A certificate from Mr. D.S. Rao, Practicing Company Secretary, 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, such disclosure has been enclosed separately to this Report as Annexure IA

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

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

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

Particulars	₹ in lakhs
Name of Auditor	NSVR & Associates LLP.
Statutory Audit	5 plus GST
Reimbursement of expenses	Nil

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	01
No of complaints disposed off during the year	01
No of complaints pending as on end of financial year	NIL

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

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

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

(i) The Board:

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

(ii) Shareholders Rights:

All quarterly /half yearly (when the Company was listed on NSE Emerge) financial results are submitted to the stock exchanges and are simultaneously placed on the website of the Company at www.kapstonfm.com apart from being published in the newspapers.

(iii) Modified opinion(s) in audit report

There are no modified opinions in the Audit Report for the financial year ended 31st March, 2020.

(iv) Reporting of Internal Auditor:

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

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

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

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

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

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

Declaration on compliance with Code of Conduct is enclosed as **Annexure IB** to this Report.

CEO 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 Mr. D.S. Rao, Practising Company Secretary, Hyderabad, is enclosed as an **Annexure IC** to this Report.

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

This provision is not applicable to the Company as the Company has not declared any dividend since incorporation and the Company got converted to Public Limited in the FY 2017-18 and got listed in the same financial year.

Unclaimed Equity Dividends and Shares:

The Company has not declared any dividend since incorporation.

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.

On behalf of the Board of Directors

Sd/-

Dr. Chereddi Ramachandra

Chairman

DIN: 02096757

Place: Hyderabad

Date: August 14,2020