



**KELLTON TECH SOLUTIONS LIMITED.**

To

The General Manager, Listing Department, Bombay Stock Exchange Limited, 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building, P.J. Towers, Dalal Street Fort, Mumbai-400001	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
<b>Scrip Code: 519602</b>	<b>Scrip Code: KELLTONTEC</b>

Dear Sir/Ma'am,

**SUBJECT: SUBMISSION OF NOTICE OF THE 29TH ANNUAL GENERAL MEETING OF KELLTON TECH SOLUTIONS LIMITED ("THE COMPANY") ALONGWITH THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

Pursuant to Regulations 30 and 34(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), we hereby enclose the Notice of the 29th Annual General Meeting (the "AGM") of Kellton Tech Solutions Limited (the "Company") to be held on Saturday, September 30, 2023 at 10.00 A.M. (IST) through Video Conferencing or Other Audio Visual Means along with the Annual Report of the Company for the Financial Year ended March 31, 2023.

The Company has engaged the services of CDSL to provide remote e-Voting facility and e-Voting facility during the AGM. The remote e-Voting period will commence on Wednesday, September 27, 2023 (9:00 A.M. IST) and will end on Friday, September 29, 2023 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e. Saturday, September 23, 2023, may cast their votes. The remote e-Voting module shall be disabled by CDSL for voting thereafter.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, September 23, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in the said Notice.

The said Notice which forms part of the Annual Report for the Financial Year ended March 31, 2023 is being sent only through e-mail to the shareholders of the Company at their registered e-mail addresses and the same has also been uploaded on the website of the Company under the web-link <https://www.kellton.com/annual-general-meeting>.

We request you to take the above information on record.

Thanking You,  
Yours faithfully,  
For Kellton Tech Solutions Limited

Rahul Jain

Digitally signed by  
Rahul Jain  
Date: 2023.09.08  
18:58:45 +05'30'

Rahul Jain  
Company Secretary and Compliance Officer  
Date: September 08, 2023  
Place-Hyderabad

# Infinite Possibilities With Technology





## CONTENTS OF ANNUAL REPORT 2023

S.No	Particulars	Page No
1	Letter to Shareholders	2
2	Highlights of the Year	5
3	Financial Highlights	14
4	The Workforce	15
5	Global Offices	22
6	Corporate Information	24
7	Notice of 29 <sup>th</sup> Annual General Meeting	27
8	Directors' Report	53
9	Management Discussion and Analysis Report	77
10	Report of Independent Auditor on Standalone Financial Statement	148
11	Standalone Balance Sheet	160
12	Standalone Statement of Profit & Loss	162
13	Standalone Cash Flow Statement	164
14	Report of Independent Auditor on Consolidated Financial Statement	197
15	Consolidated Balance Sheet	207
16	Consolidated Statement of Profit & Loss	209
17	Consolidated Cash Flow Statement	211



## MESSAGE FROM THE CHAIRMAN'S DESK

### Letter to Shareholders

#### Dear Shareholders

I am pleased to present our annual report for the financial year 2022-23. In this financial year, Kellton explored new frontiers of growth and technology by making significant investments in building its capability in its core areas and service lines. Although the global economic conditions, geopolitical tension, and banking crisis in some advanced economies led to rising uncertainties and sluggish economic growth, our company successfully navigated the challenges and achieved significant outcomes.

In fiscal FY 2022-23, Kellton further increased its pace toward building a seamlessly integrated organization and leveraging synergies to drive client value and growth. To keep pace with the changing business demands and ever-evolving technology landscape, we continued making significant investments in setting up state-of-the-art Centers of Excellence (CoEs) as well as in fortifying our people's capabilities.

The global realignment exercise helped foster new possibilities for Kellton and its valued customers. On the one hand, our practice leadership is expeditiously establishing new Centers of Excellence (COEs) and imbibing new practices to inspire our people to take



complete ownership and build future-proof solutions for our clients. On the other hand, our delivery teams are focused on cultivating agile methodologies that revolve around our clients' needs. Whether it pertains to sculpting pathways for an unbroken synergy between sales and delivery or reshaping the intricate trajectory of client feedback, our concepts are deeply entrenched in the commitment to deliver paramount customer value.

In today's dynamic business landscape, our innovative solutions, encompassing Generative AI, the Metaverse, Data Engineering, and Cloud, are increasingly empowering our clients for a resounding success. Secure Gen AI applications drive innovation and efficiency, while the Metaverse expertise reshapes engagement. Through expert Data Engineering, raw data becomes strategic foresight, all supported by our state-of-the-art Cloud infrastructure.





With this extensive range of tech and digital transformation solutions, we're not just embracing innovation but propelling businesses across industries forward and leading clients into the future.

In this fiscal, we continued our progress toward elevating our approach to sales by adopting a consultative paradigm that transcends the traditional vendor-client relationship. To succeed in the new role, we shifted our focus to cultivating long-term partnerships with our customers. We are achieving this new balance in our client relationships by immersing ourselves in our clients' unique challenges and helping them forge ahead and outpace the competition. With a team of dedicated experts, we craft bespoke, innovative solutions designed not only to address immediate needs but also to set the stage for enduring growth and prosperity.

At Kellton, our people are at the heart of everything we do. We recognize that our team members are the driving force behind our success, and that's why we've established robust HR policies and a multitude of Learning and Development (L&D) programs. Our HR policies are designed to create a supportive, inclusive, and growth-oriented work environment. We prioritize the well-being of our employees, offering flexible work arrangements, comprehensive healthcare benefits, and a strong emphasis on work-life balance. As we adapt to the changing landscape of work, we're also carefully planning our return-to-office strategy. Our approach is thoughtful

and considers the safety and preferences of our team members. We're committed to providing a seamless transition back to the office while respecting individual needs. In tandem with our HR policies, our Learning and Development initiatives are geared toward nurturing talent and fostering continuous growth. We believe that investing in our people's skills and knowledge is pivotal to our collective success.

In fiscal year 2022-2023, Kellton's relentless dedication to hard work and innovation has garnered notable recognition. In our debut appearance, we proudly emerged as a Leader in the Zinnov Zones ER&D 2022 report. This achievement stands as a resounding validation of Kellton's enduring commitment to delivering top-tier technology services. We are confident that this remarkable feat will further solidify Kellton's stature as a leader in the dynamic technology market. We are also pleased to share our recent recognition as a Webby Honoree, which underscores our commitment to excellence and innovation in the realm of Apps, dApps, and Software - Data Management, further enhancing our reputation in the tech industry.

In FY 2022-23, we continued to deepen our engagement with our clients and expand our partner ecosystem, resulting in more repeat business and sustained growth throughout the year. During the year, we also won several lucrative deals across our focused verticals and breadth of capabilities.



## KEY FINANCIAL HIGHLIGHTS OF

### FY 2022-23:

In FY 2022-23, Kellton successfully fortified its financial performance as the revenue for the financial year grew 8.96% over last year to Rs. 919.55 crores, with an EBITDA of Rs. 95.69 crores. Our EBITDA margins stand at 10.4%. The increase in revenue shows our commitment to delivering customer-centric solutions and winning regular large deals to ensure sustainable growth.

## FUTURE FORECAST

Generative Artificial Intelligence (GenAI) is undeniably the future, and at Kellton, we are fully embracing this technology to transform the way we engage with people, partners, and customers and drive client value. In the next fiscal, we aim to integrate GenAI into our arsenal of core offerings so as to build secure and responsible AI solutions to enable our clients to become more agile, resilient, and responsive. By harnessing the power of AI, we are poised to revolutionize industries, enhance customer experiences, and drive unparalleled growth.

With remarkable progress on the OneKellton front resulting in closely integrated global operations, we are now primed to accelerate and deliver unparalleled customer value. Our seamless alignment across the organization

ensures that we provide holistic solutions that exceed client expectations, setting us apart as a leader in our industry. Furthermore, our commitment to Environmental, Social, and Governance (ESG) principles underscores our responsibility as a business to preserve our planet and nurture growth in our communities and society at large. As a responsible entity, we are dedicated to making a positive impact through environmental and health initiatives. Our intrinsic desire to safeguard the environment drives us to take proactive measures, contributing to a sustainable and thriving future for all.

I extend my deepest thanks to everyone for their continued trust, confidence, and support. Looking forward, we remain committed to harnessing the potential of new and emerging technologies to assist our clients to succeed in their industries and better prepare for impending disruptions. Our focus will also be on crafting strategies that place our people at the forefront, ensuring the safety, motivation, and resilience of our employees in the face of challenges. And, of utmost importance, we will continue refining our shareholder approach, making sustainability its cornerstone, and striving to create lasting value for the prosperity we all share.



Annual Report 2022-23

# Highlights of the year



## **Featured as a leader in zinnov zones ER&D 2022 report**

Kellton is proud to announce its recognition as a Leader in the Zinnov Zones ER&D 2022 report, a testament to our dedication to hard work and innovation. Zinnov, a globally acclaimed Analyst firm, has acknowledged our prowess in its inaugural feature of the ER&D Services rankings for 2022.

Kellton's debut as a leader in both the Small and Medium Service Providers category and the 'Consumer Software' segment highlights our commitment to excellence and customer satisfaction. This achievement underscores the relentless efforts and innovative spirit of our team. As we celebrate this milestone, we are confident that our position as a technology market leader is further solidified, enabling us to continue delivering unparalleled technology solutions.





## Recongnized as a webby honoree under the data management category

We're excited to announce that we've received the esteemed recognition of being named a Webby Honoree for our submission under the Apps, dApps, and Software - Data Management category.

The Webby Awards, renowned as the 'Oldest award on the Internet,' has been a benchmark of achievement since its inception in 1998. With over 14,000 submissions across diverse fields, securing an award under the data management category showcases our dedication to continuous innovation and building agile, scalable, and resilient solutions for our customers. We thank our team for their hard work and look forward to building on this success.





## **Moved into a new office in pune**

We are thrilled to announce that our Pune team has relocated to a new, state-of-the-art office space.

We are thrilled to announce that the Kellton Pune team has taken a significant step forward by relocating to a new, state-of-the-art office space. This move marks an exciting chapter in our journey, reflecting both our team's growth and our commitment to fostering a dynamic work environment.

The new office has been thoughtfully designed to inspire creativity, collaboration, and innovation among our talented professionals. With modern amenities and a strategic location, this space not only accommodates our present needs but also paves the way for future expansion and continued excellence in delivering top-notch IT services and solutions.



## Introduced LEAP to facilitate shared learning and growth

“Our Learning & Development (L&D) team conceptualized the core of LEAP, a program aligned with our vision to transform Kellton into a truly global organization. LEAP is an acronym for “Learning, Experiences, and Peers” and has been designed to promote a culture of shared learning where both gaining and sharing knowledge is prioritized, valued, and rewarded.

The past sessions saw an overwhelming response from Kellton teams operating from multiple locations worldwide. Some of the early sessions were focused on disruptive technologies, such as Blockchain and IoT, while others discussed crucial aspects of careers and personal growth, such as the need for continuous learning.

**LEAP** 

**Learning. Experiences. And Peers.**



## Participated in the API world event 2022

We take immense pride in our participation as a sponsor in API World 2022, held in San Jose, California. As a premier event in the realm of API and Microservices, API World attracted a substantial audience this year, positioning itself as the globe's largest and most enduring platform for these technologies.

This participation not only underscored our unwavering commitment to technological advancement but also provided a fertile ground for fostering connections with an eclectic mix of professionals, innovators, and thought leaders. Through this strategic association, Kellton further solidified its pivotal role in shaping and influencing the narrative that surrounds APIs and Microservices on the global stage.





## Global offsite in Poland

As part of our continued efforts to foster global collaboration and strategic alignment, we embarked on an offsite adventure in the picturesque landscapes of Poland, where business leaders from our global offices converged. This immersive gathering served as a pivotal platform for in-depth discussions, enabling the exchange of valuable insights and perspectives, all in pursuit of refining our short-term and long-term growth strategies to drive customer experience. With a resolute commitment to enhancing customer service and outcomes, the meetup helped us build deeper connections and rethink our strategies to be able to deliver even greater value to our customers and stakeholders in the years ahead.





## Embraced the new normal of working

In response to changing circumstances, Kellton chose to cautiously reopen its offices across the globe to enhance customer service. To make the transition as smooth as possible, we adopted a phased approach toward mobilizing our workforce while prioritizing their safety and a better work-life balance.

By re-establishing a physical presence, we aim to foster employee collaboration and provide more effective, personalized customer support. This careful balance between safety and service underscores our commitment to adapt and meet evolving customer expectations. Like many of our industry peers, we have seamlessly adopted a 'hybrid work model' to empower our staff and help them deliver their best, irrespective of their work locations.



## Felicitated as a digital transformation partner by india's leading direct-selling company

An esteemed moment of recognition graced Kellton as we were honored by one of India's premier direct selling companies for our pivotal role as their trusted digital partner. This felicitation serves as a testament to our unwavering dedication in providing innovative IT solutions that empower businesses to thrive in the digital age.

The acknowledgment underscores our commitment to fostering strong collaborations and driving transformative outcomes for our partners, further propelling us to continue pioneering advancements in the realm of digital solutions.





## Financial highlights of the year 2022-23

March, 2023

All Figures in Rs. Crore

Revenue	919.55
EBITDA	95.69
EBITDA Margin(%)	10.4%
Networth	373.02



The background of the page is an abstract, fluid composition of organic shapes in shades of deep purple, magenta, and dark blue. The shapes flow and curve across the frame, creating a sense of movement and depth. The lighting is soft, highlighting the contours of the forms against a darker, almost black background.

Annual Report 2022-23

# **The Workforce**



## Our Workforce

A passionate and empowered workforce is arguably the best resource an organization can have to win in today's marketplace, laced with intense competition and rapid changes. Companies become successful when they continuously invest in their people and in their holistic development. At Kellton, our people are the driving force behind our remarkable growth and successes in the realm of digital innovation and transformation.



In the year gone by, we put together a series of training and development programs to help our employees expand their knowledge horizons and produce more meaningful outcomes for our clients. LEAP (Learning, Experiences, And Peers.) is one of our recent initiatives aimed at building an agile ecosystem of shared learning. Generative AI Hackathon was another strategic initiative conceptualized with a vision to unite and inspire our coding talent to prepare for the next in the technology landscape. We also plan to introduce a web-based training platform in the next fiscal year, focusing on helping our people build on their communication skills.

Amid other areas, our continuous focus on empowering our people and building a culture to perform efficiently against all odds helped us garner industry-leading analyst recognition, attributed to the dedication and motivation of our exceptional team, who consistently deliver brilliance in all aspects of their work. We would particularly like to mention our feature in the Zinnov Zones ER&D 2022 report (in which we debuted as a leader in both the Small and Medium Service Providers category and the 'Consumer Software' segment). We also secured a feature in the 2023 ISG Provider Lens™ SAP Ecosystem Report. In the new fiscal year, we will continue strengthening our global workforce and inspiring them to craft more value-driven products and solutions for our customers.



## Kelltonites pivot to AI

Artificial intelligence (AI) is the new reality defining the modern digital landscape. The frontrunners across various industries are increasingly adopting AI solutions to bolster customer experience and cyber security. Our approach at Kellton transcends mere adaptation to the swiftly evolving AI landscape; instead, we are embedding AI solutions in the way we collaborate, communicate, and create value for our clients. In this fiscal, we deliberately integrated AI into our core operational frameworks to improve our workforce productivity and help our customers unlock new possibilities from their technology investments.



This strategic pivot toward AI signifies a pivotal juncture in our organizational trajectory. Our global teams are spearheading a paradigm shift, capitalizing on AI's transformative capabilities. Through the automation of routine tasks, we liberate valuable resources, channeling them towards the creation of software solutions that stand not only as symbols of innovation but also as finely attuned responses to customer requirements. This fiscal year marks a monumental embrace of AI, setting the stage for deeper, more impactful integrations that lie ahead.

Amidst the rapidly evolving technological landscape, our commitment to advancement remains resolute. Armed with AI as a linchpin in our technological arsenal, we transcend the role of mere adaptors; we take on the mantle of shapers of change. ChatGPT assumes its position among the array of influential AI tools we leverage to elevate our solutions, heralding an era wherein a fusion of ingenuity and innovation drives industries and businesses. As we navigate this transformative terrain, we are poised to pioneer novel possibilities, challenge established norms, and cement our position as trailblazers within the realm of technological progress and AI-infused solutions.



## Employee well being

At Kellton, our unwavering commitment to employee well-being remains at the core of our organizational ethos. We recognize that a healthy and engaged workforce is the cornerstone of success, which is why we continuously focus on nurturing and enhancing the well-being of our employees. Through a comprehensive range of innovative programs, we ensure our people thrive personally and professionally. From flexible work arrangements that promote work-life balance to wellness initiatives encompassing physical fitness, mental health, and stress management, we are dedicated to creating a supportive environment that empowers everyone to perform at their best.

During the year under review, we conducted a series of programs to uplift their physical, emotional, financial, and social well-being.

### Physical well-being

- Regular health checkup camps
- Health webinars
- Wellness talks and tips
- Yoga day

### Emotional well-being

- One-on-one counseling sessions
- Workshops to help employees manage various phases of their professional and personal lives

### Financial well-being

- Webinars and discussions on financial
- Topics such as savings, investments, and wealth management

### Social well-being

- Wellness talks
- Health programs
- Annual health checkups
- Yoga day





## Our work culture

Our organizational ethos is deeply rooted in the principles of diversity, inclusivity, and a profound sense of belonging. These guiding principles collectively steer our relentless endeavor to cultivate an environment in which our workforce flourishes and leaves an indelible mark on our value delivery to esteemed clients.



Within our organization, the belief in the potency of a diverse workforce extends far beyond numerical representation; it is seamlessly interwoven into the very fabric of our daily operations. We proactively champion an environment that ardently upholds equal opportunities, treating each team member equitably and with unwavering respect, irrespective of gender, ethnicity, religious affiliation, or any other defining attribute. This unwavering commitment to inclusivity serves as the catalyst for individual advancement while bolstering our collective capacity to adapt and flourish amidst the ever-evolving business landscape. At Kellton, we firmly assert that an inclusive culture forms the bedrock upon which we cultivate enduring relationships with our employees, clients, and stakeholders.

Our commitment to diversity and inclusivity transcends conventional confines, nurturing an ambiance suffused with empathy and mutual comprehension. By extolling the distinct contributions of each individual, we architect an environment that galvanizes employees to

transcend their limitations, embrace challenges, and embark on a professional and personal growth journey. Collectively, we continue to coalesce as a vivacious and harmonious community, propelling Kellton to stand apart as an incubator where talent truly thrives and aspirations metamorphose into actuality.

Furthermore, at Kellton, our dedication to excellence is intrinsically linked with a culture of continuous learning. We recognize that the ever-changing landscape of technology and business demands a steadfast commitment to staying updated and embracing new knowledge. This ethos of perpetual learning empowers our workforce to remain at the forefront of innovation, enabling us to deliver exceptional solutions and unrivaled value to our clients. Just as diversity and inclusivity drive our evolution, pursuing knowledge remains a cornerstone in our journey toward perpetual growth and distinction.



## Talent development

As the work paradigm continues to evolve, Kellton stands resilient, recognizing the pivotal role that our people play in our success. Our unwavering commitment to their growth is underscored by an array of innovative programs designed to amplify their skills and capabilities.



In fiscal 22, we conceptualized various employee learning and development initiatives such as LEAP and Mineral. LEAP is an organization-wide program that enables shared learning to forge the path toward increased innovation and collaboration. Mineral is another talent development program conceived by our experts that helps our people improve their soft skills through bite-sized lessons that make learning truly enjoyable and accessible.

In a landscape defined by rapid shifts and perpetual change, our commitment to talent development remains unwavering. We understand that the evolution of our team translates directly into the evolution of our services. Thus, we continue to invest in our people, propelling them to the forefront of industry trends and equipping them to innovate and excel. At Kellton, nurturing talent is not just a strategic initiative; it's a philosophy that shapes our present and ensures our enduring relevance in the ever-evolving tech landscape.



## HR policies

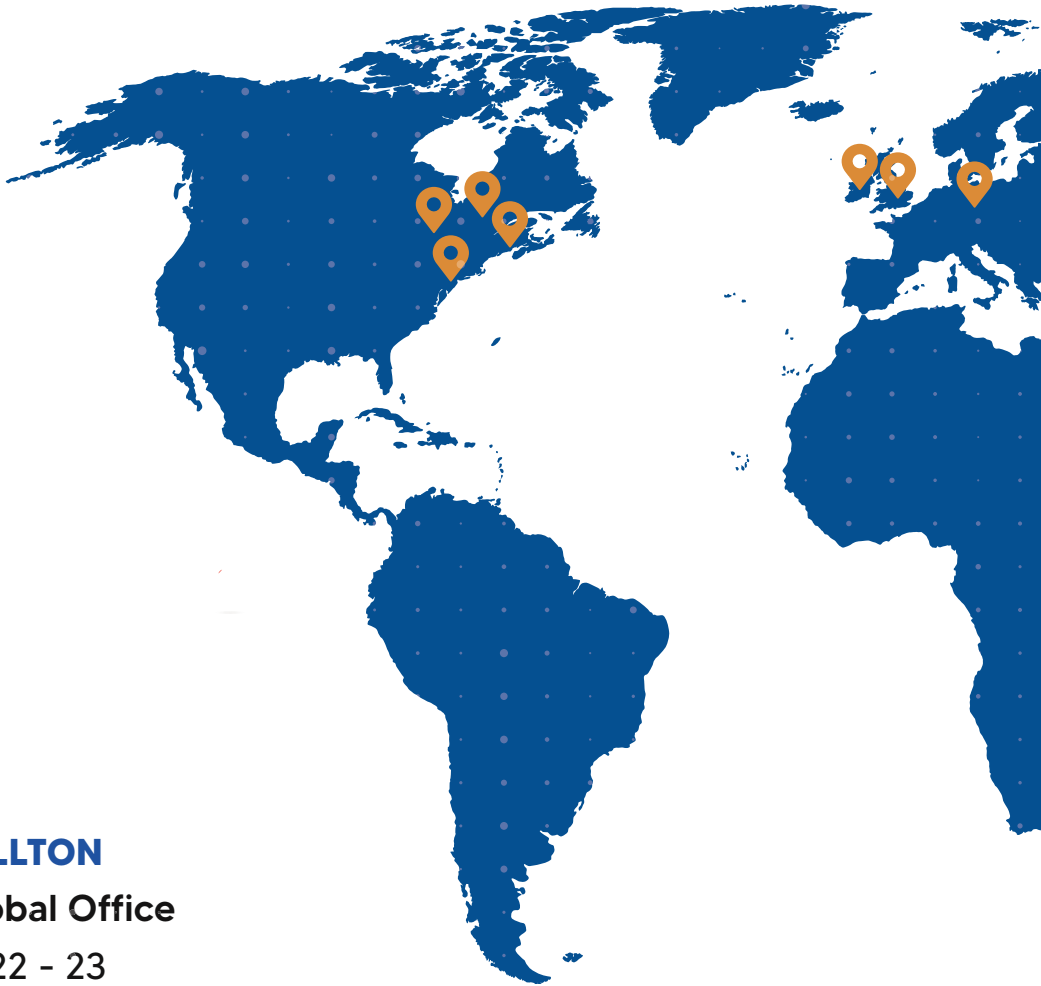
HR policies are pivotal in shaping an organization's success by providing a structured framework that ensures equitable treatment, promotes employee well-being, and fosters a cohesive work culture. Our employee-centric HR policies, over the years, have redefined how our teams operate, allowing a seamless interplay between remote and office work. The results have been resounding – heightened productivity, invigorated teams, and an enhanced sense of ownership.



As the tides of business demands prompt the gradual reopening of our offices, our dedication to fostering in-person collaboration remains unwavering. The synergy between remote and office work has not only catalyzed innovation but has also firmly positioned employee well-being at the heart of our operational strategy, supported by our HR policies that champion a balanced and harmonious work environment.

The advent of the hybrid model has introduced a new era of equilibrium between professional responsibilities and personal well-being. The

reduced commute times have unlocked more precious moments for our team members to spend with their loved ones and to rejuvenate personally. This balance isn't just coincidental; it is underpinned by our HR policies that are inherently employee-friendly and designed to nurture a comprehensive sense of contentment and growth. As we traverse this exciting landscape, our overarching mission remains to cultivate a workforce that thrives within this flexible paradigm – one where employees find fulfillment, innovation flourishes, and the organization's success is an outcome of both.



## **KELLTON**

### **Global Office**

**2022 - 23**

#### **USA**

##### **D.C. Metro Area**

11100 Wildlife Center Dr.  
Suite LL #150 300  
Reston, VA 20190

##### **NY/NJ Area**

185 Hudson Street, Suite  
1440 Jersey City, NJ 07311

3 Independence Way, Suite 209  
Princeton, NJ 08540

New York City  
250 Greenwich Street  
New York, NY 10007

#### **United Kingdom**

30 Stamford St,  
South Bank  
London SE1 9LS

#### **Ireland**

The Mill,  
Newtown Link Road,  
Drogheda, Co. Louth

#### **Poland**

ul. Wyciągowa 56G lok. 2A  
Wrocław, Poland 53-012



## India

### Corporate Headquarters

Plot No.1367, Road No.45  
Jubilee Hills, Hyderabad  
500033

### Gurgaon

Plot No - 404-405,  
4th & 6th Floor, ILABS Centre,  
Udyog Vihar, Phase- III,  
Gurugram, Haryana 122016

## Pune

Kellton Ltd, Lalwani House,  
Plot no 79, Sakore Nagar,  
Viman Nagar, Pune,  
Maharashtra 411014

## Bengaluru

Quest Offices,  
Raheja Towers,  
C1-10th Floor, MG Road,  
Bengaluru, Karnataka - 560001

## Singapore

7B Keppel Road, #18-10  
Tanjong Pagar Complex,  
Singapore 089055

## UAE

Business Center 1, M Floor,  
The Meydan Hotel, Nad Al  
Sheba, Dubai PO Box 9305



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1.	Mr. Niranjn Chintam	Chairman & Whole-Time Director
2.	Mr. Krishna Chintam	Managing Director
3.	Mr. Karanjit Singh	Whole-Time Director
4.	Mr. Srinivasa Potluri	Non-Executive Director
5.	Mr. Brijmohan Venkata Mandala	Independent, Non-Executive Director
6.	Mr. Srinivasa Vijay Kumar Appana	Independent, Non-Executive Director
7.	Mr. P V V Srinivasa Rao	Independent, Non-Executive Director
8.	Ms. Geeta Goti	Independent, Non-Executive Director

### KEY MANAGERIAL PERSONNEL

1.	Mr. Niranjn Chintam	Whole-Time Director & Chief Financial Officer
2.	Mr. Krishna Chintam	Managing Director & Chief Executive Officer
3.	Mr. Karanjit Singh	Whole-Time Director
4.	Mr. Rahul Jain	Company Secretary

### COMMITTEES OF THE BOARD

#### Audit Committee

Name	Category of Director	Designation
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Chairman
Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Director	Member
Mr. Niranjn Chintam	Executive Director	Member

#### Nomination & Remuneration Committee

Name	Category of Director	Designation
Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. PVV Srinivasa Rao	Non-Executive Independent, Director	Member
Mr. Niranjn Chintam	Executive Director	Member

#### Stakeholders Relationship Committee

Name	Category of Director	Designation
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Chairman
Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Director	Member
Mr. Krishna Chintam	Executive Director	Member



## **Corporate Social Responsibility Committee**

<b>Name</b>	<b>Category of Director</b>	<b>Designation</b>
Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Krishna Chintam	Executive Director	Member

## **Securities Issuance Committee**

<b>Name</b>	<b>Category of Director</b>	<b>Designation</b>
Mr. Niranjan Chintam	Executive Director	Chairman
Mr. Krishna Chintam	Executive Director	Member
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member

## **Risk Management Committee**

<b>Name</b>	<b>Category of Director</b>	<b>Designation</b>
Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Niranjan Chintam	Executive Director	Member

**CORPORATE IDENTITY NUMBER : L72200TG1993PLC016819**

## **CORPORATE OFFICE & REGISTERED OFFICE**

Plot No. 1367, Road No. 45,  
Jubilee Hills, Hyderabad  
Telangana – 500 033  
Tel No - 040-44333000  
Email id: [compliance@kelltontech.com](mailto:compliance@kelltontech.com)  
Website: [www.kelltontech.com](http://www.kelltontech.com)

## **STATUTORY AUDITORS**

Anant Rao & Malik  
Chartered Accountants,  
B-409/410, Kushal Towers, Khairatabad,  
Hyd-500004, Telangana  
Email Id: [armacas@gmail.com](mailto:armacas@gmail.com)

## **INTERNAL AUDITOR**

CA Ravindhar Reddy  
Chartered Accountant  
[ravindhar.nagireddy@kellton.com](mailto:ravindhar.nagireddy@kellton.com)

## **SECRETARIAL AUDITOR**

Mr. NVSS Suryanarayana Rao  
Company Secretary



## **SHARE TRANSFER AGENTS & DEMAT REGISTRARS**

M/s XL Softech System Limited  
3, Sagar Society, Road No. 2,  
Banjara Hills, Hyderabad – 500 034, Telangana  
e-mail ID: mail@xlsoftech.com  
Phone: 040-23545913

## **WEBSITE**

<https://www.kellton.com>

## **BANKERS**

Bandhan Bank, Madhapur, Hyderabad - 500081

IndusInd Bank, Sardar Patel Rd, Begumpet,  
Secunderabad, Telangana 500003

## **COMPLIANCE OFFICER**

Mr. Rahul Jain  
Company Secretary  
Email id: rahul.jain1@kellton.com

## **Stock Exchanges Where Company's Securities Are Listed**

The BSE Limited  
The National Stock Exchange of India Ltd.





## NOTICE OF 29<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KELLTON TECH SOLUTIONS LIMITED ("THE COMPANY") WILL BE HELD ON SATURDAY, SEPTEMBER 30, 2023 AT 10:00 A.M IST THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:**

### **ORDINARY BUSINESS**

**1. To consider and adopt the Audited Standalone Financial Statements of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2023.**

**"RESOLVED THAT** the audited standalone financial statements of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditor thereon as circulated to the members with the notice of the Annual General Meeting, be and are hereby received, considered and adopted."

**2. To consider and adopt the Audited Consolidated Financial Statements of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2023.**

**"RESOLVED THAT** the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2023 and the report of Auditor thereon, as circulated to the members with the notice of the Annual General Meeting, be and are hereby received, considered and adopted."

**3. To appoint a Director in place of Mr. Srinivas Potluri (DIN: 03412700) who retires by rotation and, being eligible, offers himself for re-appointment.**

**"RESOLVED THAT** pursuant to the provisions of the applicable laws, the Articles of Association and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Srinivas Potluri (DIN: 03412700), Non-Executive Director of the Company, who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as director of the Company liable to retire by rotation."



## SPECIAL BUSINESS:

### **4. To appoint Mr. Satya Prasad (DIN: 08082530), as an Independent Director of the Company,**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013, together with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Regulations 17(1C), 25(2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and Articles of Association of the Company, and approval and recommendation of the Nomination and Remuneration Committee, consent of Shareholders of the Company be and is hereby accorded to appoint, Mr. Satya Prasad (DIN: 08082530), appointed as an Independent Director of the company, for a term of five consecutive years effective from September 30, 2023 till September 29, 2028, not be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

### **5. To re-appoint Mr. Krishna Chintam (DIN-01658145) as Managing Director and Chief Executive Officer on the Board of the Company.**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the relevant Rules made thereunder including any modification or re-enactment thereof, if any, the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, if any and the Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, approval of shareholders of the company be and is hereby accorded for re-appointment of Mr. Krishna Chintam (DIN: 01658145) as the Managing Director & Chief Executive Officer (“MD & CEO”) and Key Managerial Personnel of the Company for a term of 5 (Five) years i.e. from April 09, 2024 to April 08, 2029, in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, proposing his candidature for the office of a Director, office of whom is not liable to retire by rotation, on such terms and conditions as specified in the Explanatory Statement pursuant to Section 102(1) of the Act;

**RESOLVED FURTHER THAT** Mr. Krishna Chintam, in the Capacity of MD & CEO, be eligible for the Remuneration as agreed by Mr. Krishna Chintam and the Board of Director (as detailed out in the Explanatory Statement) and with an annual increment as may be approved by the Nomination & Remuneration Committee (“N&RC”) of the Board/ Board of Directors, subject to a maximum of 15% (Fifteen Percent) every year, during the tenure of his term of 5(five) years;



**RESOLVED FURTHER THAT** in his capacity as MD & CEO, Mr. Krishna Chintam is entitled to exercise all powers as are exercisable by the MD & CEO of the Company as permissible under the provisions of the Act, and any other statutes in order to manage the affairs of the Company

**RESOLVED FURTHER THAT** any one of the Director(s) be and are hereby severally authorized to sign and execute the appointment letter/ MD & CEO contract (and any other agreement relating to compensation and benefits) between the Company and Mr. Krishna Chintam inter-alia containing terms and conditions of appointment;

**RESOLVED FURTHER THAT** the Board of Director(s) of the Company be and are hereby further authorised to do all such act(s), deed(s), matter(s) and thing(s) and to execute any agreement(s), document(s), instrument(s) and writing(s) as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/ or officer(s) of the Company to give effect to this resolution.”

**6. To re-appoint Mr. Karanjit Singh (DIN- 06898258) as Whole Time Director on the Board of the Company.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the relevant Rules made thereunder including any modification or re-enactment thereof, if any, the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, if any and the Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, approval of shareholders be and is hereby accorded for re-appointment of Mr. Karanjit Singh (DIN-06898258) be and is hereby re-appointed as the Whole time Director of the Company for a term of 5 (Five) years i.e. from March 30, 2024 to March 29, 2029, in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, proposing his candidature for the office of a Director, office of whom is not liable to retire by rotation, on such terms and conditions as specified in the Explanatory Statement pursuant to Section 102(1) of the Act;

**RESOLVED FURTHER THAT** Mr. Karanjit Singh, in the Capacity of Whole Time Director, be eligible for the Remuneration as agreed by Mr. Karanjit Singh and the Board of Director (as detailed out in the Explanatory Statement) and with an annual increment as may be approved by the Nomination & Remuneration Committee (“NRC”) of the Board/ Board of Directors, during the tenure of his term of 5 (Five) years;

**RESOLVED FURTHER THAT** any one of the Director(s) be and are hereby severally authorized to sign and execute the appointment letter and contract between the Company and Mr. Singh inter-alia containing terms and conditions of appointment;



**RESOLVED FURTHER THAT** the Board of Director(s) of the Company be and are hereby further authorised to do all such act(s), deed(s), matter(s) and thing(s) and to execute any agreement(s), document(s), instrument(s) and writing(s) as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/ or officer(s) of the Company to give effect to this resolution.”

## **7. Increase the Overall Maximum Limit of Managerial Remuneration**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the said Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”), the Articles of Association of the Company and subject to such other approvals as may be necessary and based on the recommendation of Audit Committee, Nomination and Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded to increase the overall maximum managerial remuneration payable beyond specified limits as prescribed in Section 197 read with Schedule V of the Companies Act, 2013 in respect of any financial years, from 11% (eleven percent) to 16% (sixteen percent) to the Directors (including Managing Director and Whole-time Director and Manager) of the Company and that the aggregate remuneration payable to all the Managing Directors (including Whole-time Director and Manager, if any) upto 15% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, as set forth in detail in the explanatory statement annexed to the notice, effective from April 1, 2023.

**RESOLVED FURTHER THAT** if in any financial year, the Company has no profits, or its profits are inadequate, the remuneration including salary, perquisites and other allowances, as set forth in detail in the explanatory statement annexed to the notice, shall be paid as minimum remuneration without any further reference to the Shareholders of the Company in the General Meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”



## **8. To Seek approval under Section 180(1)(c) of the Companies Act, 2013 Inter alia for borrowings upto the revised limit of Rs. 250 Crores (Rupees Two Hundred Fifty Crores Only).**

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

**“RESOLVED THAT** in supersession of earlier resolutions passed in this regard and subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modification(s) or re-enactment(s) thereof, the consent of members of the Company be and is hereby accorded to borrow money, as and when required, from, including without limitation, any Bank and / or other Financial Institution and / or foreign lender and / or any-body corporate/ entity / entities and / or authority / authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board of Directors for an aggregate amount not exceeding a sum of Rs. 250 crores (Rs. Two Hundred Fifty Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves but shall not exceed the limit prescribed hereunder;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and /or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.”

## **9. To Seek approval under Section 180(1)(a) of the Companies Act, 2013 Inter alia for Creation of mortgage or charge on the assets, properties or undertakings of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and in supersession of earlier resolutions passed by the members of the Company in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, for the purpose of due payment of the principal and/or together with interest, charges, costs, expenses and all other monies



payable by the Company in respect of such borrowings and in such form, manner and with such ranking and on such terms & conditions, as the Board may deem fit, in favour of the Lenders / Security Trustee, provided that the aggregate indebtedness secured by the assets/properties of the Company shall not at any time exceed the aggregate limit of Rs. 250 Crores (Rupees Two Hundred Fifty Crores Only);

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and /or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give Effect to the aforesaid resolution.

By the order of the Board

**For Kellton Tech Solutions Limited**

**Sd/-**

**Krishna Chintam**

Managing Director

DIN: 01658145

**Place:** Hyderabad

**Date:** 05.09.2023



## NOTES :

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in the Notice is annexed hereto. The Board of Directors of the Company considered and decided to Item No. 6 as Special Business in the forthcoming Annual General Meeting (AGM) as this is unavoidable in nature.
2. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 2/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, May 5, 2022 and December 28, 2022, respectively, issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, May 13, 2022 and January 5, 2023, respectively (collectively referred to as 'Circulars'), companies are permitted to hold the AGM through VC/ OAVM, without the physical presence of the members at a common venue. Accordingly, the 29th AGM of the Company will be held through VC/ OAVM in compliance with the provisions of the Act and Rules made thereunder, the SEBI Listing Regulations read with the aforesaid Circulars. the 29th AGM of the Company is being conducted through VC/OAVM on Saturday, September 30, 2023 at 10.00AM (IST). The deemed venue for the 29th AGM shall be the Registered Office of the Company.
3. Pursuant to the provisions of the act, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circular, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of the AGM venue are not annexed to this notice.
4. Institutional/Corporate Members (i.e. other than individuals / HUF, NRI, etc.) intending to send their authorized representative(s) to attend the Meeting through VC / OAVM, are requested to send a Certified True Copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the company at the mail address [compliance@kelltontech.com](mailto:compliance@kelltontech.com)
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



**6.** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**7.** In line with the Ministry of Corporate Affairs (MCA) Circulars and SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company <https://www.kellton.com/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com/> and <https://www.nseindia.com/> respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. <https://www.evotingindia.com/>

**8.** As per the provisions of Section 72 the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. Members holding shares in electronic form may obtain Nomination forms from their respective DPs.

**9.** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs and SEBI the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.

**10.** In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

**11.** The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which the Directors are interested, will remain open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the Meeting and will also be kept open at the venue of the Meeting till the conclusion of the Meeting.

**12.** The Register of Members and Share Transfer Books of the Company will remain closed from, Sunday September 24, 2023 to Saturday September 30, 2023 (both days inclusive) for the purpose of the Meeting.

**13.** Members who have not registered their e-mail addresses so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically





**14.** To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with M/s. XL Softech System Ltd/DP for receiving Annual Reports and other communications electronically from the Company in the future.

**15.** Updation of Members' Details

The format of the Register of Members prescribed by the Ministry of Corporate Affairs ('MCA') under the Act requires the Company/RTA to record additional details of members including their Permanent Account Number ('PAN'), e-mail address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their details to the Company's RTA at [xlfield@gmail.com](mailto:xlfield@gmail.com).

**16.** During the Financial Year 2018-19, SEBI and MCA have mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at [compliance@kelltontech.com](mailto:compliance@kelltontech.com) or contact the Company's RTA - M/s. XL Softech System Ltd at [xlfield@gmail.com](mailto:xlfield@gmail.com)

**17.** Members are hereby informed that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:

- a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
- b. Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
- c. Folios wherein any one of the said document(s)/detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
- d. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/ Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/



Company shall verify and process the service requests and issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

**18.** Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.

**19.** Members desiring any information as regards the Accounts are requested to write to the Company at an earlier date through email on [compliance@kelltontech.com](mailto:compliance@kelltontech.com) The same will be replied by the Company suitably.

**20.** Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's RTA the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes. Change in their residential status on return to India for permanent settlement.

**21.** Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

**22.** Members are requested to notify the Company/RTA of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

**23.** Process and manner of Voting through Electronic Means.

- compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI Listing Regulations, each as amended from time to time and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to its Members to cast their votes electronically on resolutions set forth in this Notice. The Company has engaged the services of CENTRAL DEPOSITORY SERVICES LIMITED ('CDSL') as the Agency to provide e-voting facility. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') and the services will be provided by CDSL.
- Instructions for remote e-voting (including process and manner of e-voting) are given herein below.
- The Resolutions passed by remote e-voting shall be deemed to have been passed as if they have been passed at the AGM. The Notice of the AGM indicating the instructions of remote e-voting process can



be downloaded from CDSL's website <http://www.evotingindia.com> or the Company's website [www.kellton.com](http://www.kellton.com)

- The facility for e-Voting shall be made available at the Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
- The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again. Members can opt for only one mode of voting i.e. remote e-voting or voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical voting at the meeting will not be considered.
- Members holding shares in physical form or dematerialized form as on Friday September 23, 2023 ('Cut- Off Date') shall be eligible to cast their vote by remote e-voting.
- The remote e-voting period commences on Wednesday September 27, 2023 at 09.00 a.m. and ends on Friday September 29, 2023 at 5:00 p.m. (IST). During this period, the members of the Company holding shares either in physical form or in dematerialized form as on the Cut-Off Date, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after 5:00 p.m. (IST) on Friday September 29, 2023

**24.** Any person(s) who acquires shares of the Company and becomes a Member(s) of the Company after dispatch of the Notice of AGM and holding shares as on the Cut-Off date i.e., September 23, 2023 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [xlfield@gmail.com](mailto:xlfield@gmail.com) ' However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/ Password' or 'Physical User Reset Password' option available on '<https://www.evotingindia.com/>' or contact CDSL at the following Toll Free No.: 1800-222-990 or e-mail at '[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**25.** Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM

**26.** The Board of Directors has appointed Mr. NVSS Suryanarayana Rao the Practicing Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process as well as voting at the Meeting in a fair and transparent manner.

**27.** The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and shall within 48 hours of conclusion of the Meeting submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman in writing, who shall countersign the same.



28. The results declared along with Scrutinizer's Report, will be placed on the Company's website 'www.kellton.com' and the website of CDSL 'https://www.evotingindia.com' immediately after the result is declared by Chairman or any other person authorized by the Chairman and the same shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where the Securities of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

## **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

**(i) The remote e-voting period begins on Wednesday September 27, 2023 at 09:00 A.M. and ends on Friday September 30, 2023 05:00 P.M. The remote e-voting module shall be disabled by CDSL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday September 23, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday September 23, 2023**

**(ii)** Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**(iii)** Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>



<p><b>Individual Shareholders holding securities in demat mode with NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p><b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</b></p>	<p>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 or joining virtual meeting &amp; voting during the meeting.</p>

**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
<p><b>Individual Shareholders holding securities in Demat mode with CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33</p>
<p><b>Individual Shareholders holding securities in Demat mode with NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>





Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

**(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

**(vi)** After entering these details appropriately, click on "SUBMIT" tab.

**(vii)** Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**(viii)** For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**(ix)** Click on the EVSN for the Kellton Tech Solution Limited which is 230907056



**(x)** On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

**(xi)** Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

**(xii)** After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

**(xiii)** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

**(xiv)** You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

**(xv)** If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi)** There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii)** Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [Compliance@kellton.com](mailto:Compliance@kellton.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN(230907056) of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Compliance@kelltontech.com . These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)



- 3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

**All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.**



## EXPLANATORY STATEMENT

Pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") read with section 110 of the Companies Act, 2013.

### Item No 4

The Board, based on the recommendation of the Nomination and Remuneration Committee has recommended appointment of Mr. Satya Prasad (DIN: 08082530) as an Independent Director for a term of 5 (five) years on the Board of the Company i.e., from this 29th AGM up to the conclusion of 34th Annual General Meeting of the Company which is to be held in 2028.

The Company has received from him all statutory disclosures / declarations including, (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The Board, based on the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience, of Mr. Satya Prasad (DIN: 08082530) would be beneficial to the Company, and it is desirable to avail his services as an Independent Director.

In terms of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed that Mr. Satya Prasad (DIN: 08082530) be appointing as an Independent Directors for a term of 5(Five) consecutive years from this 29th AGM up to the conclusion of 34th Annual General Meeting of the Company to be held in 2028.

The Board considers that his association would be of immense benefit to the Company, and it is desirable to avail his services. Accordingly, the Board recommends the passing of resolution set out in **Item no. 4 as a Special Resolution.**

Brief Details, as required pursuant to the Regulation 36(3) of the Listing Regulations and Secretarial Standards-2 issued by ICSI, is attached as **Annexure-1** to this notice

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolutions.

### Item No 5

The Board of Directors of the Company at its meeting held on September 05, 2023 on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company have accorded its approval for the re-appointment of Mr. Krishna Chintam (DIN-



01658145) as the Chief Executive Officer and Managing Director of the Company for a period of 5 (five) years with effect from April 09, 2024 and the payment of remuneration to him. Considering the critical role played by Mr. Krishna Chintam (DIN-01658145) in steering the Company and the responsibility shouldered by him, the Nomination & Remuneration Committee has recommended that he be continued as the Chief Executive Officer and Managing Director.

he shall be eligible for such other benefits/ allowances provided to the Senior Executives of the Company as per the Rules of the Company from time to time and also for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs, subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The terms and conditions set out for re-appointment of Mr. Krishna Chintam (DIN-01658145), Chief Executive Officer and Managing Director and payment of remuneration to him as specified herein may be altered and varied from time to time by the Board of Directors ("the Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board of the Company), as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Executive Director of the Company at any time, such that the overall yearly remuneration payable to the Executive Director shall not exceed the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being force) or any amendment made thereto.

## **Item no 6**

Mr. Karanjit was appointed as Whole Time Director with the approval of the Shareholder with effect from w.e.f. March 30, 2021 for period of 3 years ending on March 29, 2024. Considering the Provision of the Companies act the reappointment of the any Whole-time director can be done one year before completion of the term.

Accordingly, the Board at its meeting held on September 05, 2023 and upon the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Karanjit Singh (DIN- 06898258) as the Wholetime Director of the Company for a further term of 5(five) years effective from March 30, 2024. Based on the efforts put in by him during his tenure as the Whole-time Director of the Company and considering his experience and past performance, the Committee and Board felt the need for continuity of the services of Mr. Karanjit Singh (DIN- 06898258) is important and would be beneficial to the company and hence his re-appointment was desirable in the best interest of the Company. The Board recommends the re-appointment of Mr. Karanjit Singh (DIN- 06898258) to the members of the Company. The Details of the Director seeking re-appointment is enclosed in **Annexure – 1**





Except Mr. Karanjit Singh (DIN- 06898258) and his relatives, None of the Directors and Key Managerial Personnel of the Company and their respective relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

## Item no 7

Pursuant to Section 197 of the Companies Act, 2013 (the Act), the total managerial remuneration payable by a public company, to its Directors, including Managing Director and Whole-time Director, and its Manager in respect of any financial year, shall not exceed 11% of net profits of that Company for that financial year computed as per provisions of Section 198 of the Act, as detailed hereunder

### A) To Managing Director / Whole-time Director / Manager

Condition	Maximum Remuneration in any financial year
Company with one Managing Director (MD) or Whole-time Director (WTD) or Manager	shall not exceed 5 % of the net profits of the company Company
with more than one MD or WTD or Manager	shall not exceed 10% of the net profits of the company

### B) shall not exceed 10% of the net profits of the company

Condition	Maximum Remuneration in any financial year
Company with one Managing Director (MD) or Whole-time Director (WTD) or Manager	shall not exceed 1 % of the net profits of the company Company
with more than one MD or WTD or Manager	shall not exceed 3% of the net profits of the company

As per the Companies (Amendment) Act, 2017, w.e.f. September 12, 2018, the Companies may pay remuneration exceeding the aforesaid limit of 11%, subject to the provisions of Schedule V to the Act, as well as other above limits, with the approval of the members of the Company in general meeting by way of Special Resolution

Over the course of time, the Company has consistently disbursed Managerial Remuneration to its Executive Directors, within the limits prescribed by the Companies Act, 2013. Additionally, there has been no increase in the same, aimed at fortifying the Company's financial stability. Nevertheless, due to the write-off of goodwill recorded on the Company's Balance Sheet during the recent financial year, there has been a minor impact on profits. Given this circumstance, the remuneration that had previously been sanctioned now necessitates the approval of the Company's Shareholders through the Special Resolutions.

In order to structure the remuneration of Executive Directors (including Whole-time Director and Manager, if any), providing for fixed component of the remuneration and performance based commission, it's considered expedient to increase the overall percentage of the remuneration payable to all the Managing Directors (including Whole-time Director and Manager, if any), of the Company, over and above the overall maximum limit as specified under statute, to 15% from existing 10% of the net profits of the Company, with effect from Financial Year 2022-23.



Accordingly, the overall maximum managerial remuneration payable beyond specified limits as prescribed in Section 197 read with Schedule V of the Companies Act, 2013 in respect of any financial years will be increased from 11% (eleven percent) to 16% (sixteen percent) to the Directors (including Managing Director and Whole-time Director and Manager) of the Company and that the aggregate remuneration payable to all the Managing Directors (including Whole-time Director and Manager, if any) upto 15% of the net profits of the Company

## **Item No 8&9**

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a company cannot, except with the consent of the Members of the company in a general meeting, borrow monies, apart from temporary loans obtained from the company's bankers or financial institutions in the ordinary course of business, in excess of the aggregate of the paid-up capital of the Company, its free reserves, that is reserves not set apart for any specific purpose and Securities Premium. To meet the additional working capital and long term funding requirements as also to provide for the issue of any debt, debt related instruments in the Indian market, it is necessary to increase the present borrowing limit of the Company. The approval of the Members is, therefore, being sought by way of a special resolution, pursuant to Section 180(1)(c) of the Companies Act, 2013, to increase the limit for outstanding borrowings from Rs. Two hundred Fifty crore to an amount of Rs. 250 crore.

The said borrowings may be secured by way of charge / mortgage / hypothecation on the Company's assets in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate, etc. As the documents to be executed between the Security holders / Trustees for the holders of the said Securities and the Company may contain the power to take over the management of the Company in certain events, it is necessary for the Company to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013, consenting to the creation of the said mortgage or charge or hypothecation for outstanding amount not exceeding Rs. 250 crore.

The Directors recommend the Special Resolutions at Item Nos. 8 and 9 of the accompanying Notice for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 and 9 of the Notice.



### ADDITIONAL INFORMATION

(Details of the Directors proposed to be appointed/ re-appointed pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015 and Secretarial Standards on General meetings).

Particulars	Mr. Srinivas Potluri	Mr. Satya Prasad	Mr. Krishna Chintam	Mr. Karanjit Singh
Date of Birth	September 10, 1965	June 08, 1966	February 01, 1969	December 17, 1968
Date of first appointment on the Board.	December 31, 2009	September 05, 2023	December 23, 2008	March 30, 2015
Qualification	Graduated MBA from Northwestern University Kellogg School of Management.	B.Tech (Electronics and communications) from Nagarjuna University A.P	Graduated from Andhra University with a with a Bachelor's in Electrical and Electronics Engineering. He Holds a Master's Degree in Electrical Engineering from Virginia Tech, Virginia, US. He pursued MBA from Kellogg School of Business, Northwestern University, Chicago.	Graduated from prestigious National Institution of Industrial Engineering, Mumbai, India with a Master's degree in Industrial Engineering. Holds a Bachelor's degree in Electrical and Electronic Engineering.
Directorship in other Companies.	0	0	0	0
Number of Shares held in the Company	3, 33,332	Nil	11,42,286	3,73,490
Disclosure of Inter-se relationship between Directors and KMP's	-	-	Brother of chairman Mr. Niranjan Chintam	-
*Membership of Committees in other Companies.*	-	-	-	-



Chairmanships of Committees in other Companies.	-	-	-	-
Details of Remuneration sought to be paid and the remuneration last drawn by such person.	-	-	30,00,000	54,92,772
Number of Board meetings attended during the year (FY 2022-23).	8	-	8	8
Listed Entity from which director has resigned in the past 3yrs.	-	-	-	-

\* Memberships/ Chairmanships of Audit/ Stakeholder Committee(s) is only considered (Refer Regulation 26(1) of Listing Regulations)

## BRIEF PROFILE OF DIRECTORS

### **Brief Profile of Mr. Srinivas Potluri**

Srinivas is a leader in management across several industries, such as finance, healthcare, automotive, commodities, and telecommunication. Currently, he is focusing on expanding Kellton's business across the US Geography.

Bringing his brand of project management, business analysis, cross-functional team leadership, integration expertise, and leadership to the organization, Srinivas is a pivotal asset to the firm's growth and success by specializing in large system deployments and systems integration.

Srinivas has more than 31 years of global experience with several elite organizations such as PricewaterhouseCoopers, Parsons, and France Telecom. He holds an MBA from the Kellogg School of Management, Northwestern University in the U.S, an Environmental Engineering MS from Virginia Tech, and a bachelor's degree in Environmental Engineering Technology from the University of Mumbai, India.

### **Brief Profile of Mr. Satya Prasad**

A business-focused Information & Communication Technology Professional with rich experience at the CXO level, Handling Strategic planning, implementation, and Techno Commercial operation of Technology organizations.



Has got more than 34 Years of Experience in Electronics, Communications, and IT/ITES, out of which about 24 years in Customer experience management Technologies.

Has led many new rollouts & Expansions of large infrastructure projects for ITeS, Telecom, and BPM Centres Highly experienced in IT AOP, Project Management of New Services, products, Process migrations Strategy Planning, IT Mergers & Acquisitions – In-house/ Outsourcing as well as Operations & Maintenance of IT & Technology operations, which includes Implementation of Policies & Procedures.

## **Brief Profile of Mr. Krishna Chintam**

Krishna has been responsible for the company's leadership, operations management, and strategy since its inception. He brings over 25 years of global experience and insight, enabling our customers to gain a competitive edge by executing digital transformation initiatives, like no other. Under his leadership, Kellton transitioned from a niche technology service company to an end-to-end preferred digital transformation partner for businesses of all sizes.

Helping scale the business from its humble beginnings to the pinnacle of success today, Krishna was one of the first to see the game-changing potential in trends such as e-wallets and pioneered the exchange of ideas in the space of gaming.

His area of expertise includes consulting and software application development. He has also led and managed global IT teams with hundreds of personnel. He works sedulously to expand Kellton's digital capabilities and global footprint to capitalize on innovation both today and in the future.

Krishna holds a Master of Science (MS) from Virginia Tech and an MBA from the Kellogg School of Management at Northwestern University, USA.

## **Brief Profile of Mr. Karanjit Singh**

Karanjit is an expert in business strategy, people, processes, growth, and expansion. A visionary leader who advocates for technologies such as AI, Digitalization, Cybersecurity, Cloud, and IoT, he has consistently driven Kellton toward becoming the leading digital transformation company it is today. Currently, his focus is on expanding Kellton's footprint in the APAC region and leading overall operations of engineering delivery centers based out of India.

His action-oriented approach combined with his deep operational knowledge is an asset to the company's growth and sustenance. He has experience in product development, engineering management, delivery, product management, pre-sales & implementation support.

# KELLTON TECH SOLUTIONS LIMITED

---



He brings over 30 years of seasoned experience working with large enterprises and SMEs on both Enterprise and Consumer Internet applications. He has previously been a part of organizations such as i2 Technology, Baan Info, etc. Prior to joining Kellton, he had a very successful stint as Director of Product Development with JDA Software.

He holds a Master's degree in Industrial Engineering from the prestigious National Institute of Industrial Engineering, Mumbai, India.



**DIRECTORS'**  
**REPORT**





## DIRECTORS' REPORT

Dear **Members**,

Your Directors take pleasure in presenting the 29th Annual Report covering the highlights of the finances, business, and operations of your Company. Also included herein are the Audited Financial Statements of the Company (standalone and consolidated) prepared in compliance with Ind AS accounting standards, for the financial year ended March 31, 2023.

### 1. HIGHLIGHTS OF FINANCIAL PERFORMANCE:

#### **Consolidated:**

During the period under review the Company recorded a total revenue from operations of ₹9,17,32,58,067 as against ₹8,42,67,12,473 in the previous financial year. Profit before tax (PBT) and Exceptional Items at ₹69,79,71,868 as against ₹83,44,11,133 in the previous financial year. Profit after tax (PAT) at ₹(1,26,80,88,401)\* as against ₹70,44,51,151 in the previous financial year.

*\* In the FY\_2022-23 the write off good will Rs.184 crores - non operational balance sheet item*

#### **Standalone:**

During the period under review the Company recorded a total revenue from operations of ₹1,70,85,40,306 as against ₹1,23,18,15,618 in the previous financial year. Profit before tax (PBT) decreased to ₹13,38,38,284 as against ₹14,52,09,688 in the previous financial year. Similarly, Profit after tax (PAT) decreased to ₹9,48,93,316 as against ₹10,88,98,508 in the previous financial year.

In recent years, our Company has undertaken several acquisitions, leading to the establishment of subsidiaries abroad. Additionally, we introduced the unified brand "OneKellton," which has prompted us to reevaluate the value of our previous brand assets which has no value anymore as we solely focus on projecting the Kellton brand. Based on the recommendations from our auditors, we made the decision to completely write off these as opposed to the previous method of amortization. This strategic move resulted in a complete write-off of Rs. 184 crores as an exceptional item in our financial records. Consequently, this action has led to a negative financial outcome for the entire fiscal year. The summarized financial results of the Company for the period ended March 31, 2023 are as follows:



(Amt in Rs.)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	1,70,85,40,306	1,23,18,15,618	9,17,32,58,067	8,42,67,12,473
Other Income	2,22,48,451	1,03,49,638	2,22,48,451	1,19,70,741
<b>Total Revenue</b>	<b>1,73,07,88,757</b>	<b>1,24,21,65,256</b>	<b>9,19,55,06,518</b>	<b>8,43,86,83,214</b>
<b>Total Expenditure</b>	<b>1,59,77,29,685</b>	<b>1,09,70,76,516</b>	<b>8,49,75,34,650</b>	<b>7,60,42,72,081</b>
<b>Profit/(Loss) before Exceptional Items and taxes</b>	<b>13,30,59,072</b>	<b>14,50,88,740</b>	<b>69,79,71,868</b>	<b>83,44,11,133</b>
Exceptional Items*	7,79,212	1,20,948	(1,84,07,11,681)*	120,948
<b>Profit/(Loss) before taxes</b>	<b>13,38,38,284</b>	<b>14,52,09,688</b>	<b>(1,14,27,39,813)</b>	<b>83,45,32,081</b>
Tax Expense	3,89,449,68	3,63,11,180	12,53,48,588	13,00,80,930
<b>Profit/(Loss) after Tax</b>	<b>9,48,93,316</b>	<b>10,88,98,508</b>	<b>(1,26,80,88,401)</b>	<b>70,44,51,151</b>
<b>Earnings per equity shares in Rs.</b>	<b>0.96</b>	<b>1.16</b>	<b>(13.56)</b>	<b>7.39</b>
Total Comprehensive Income for the period	9,23,49,512	11,18,17,765	(1,30,88,54,323)	71,28,22,798

\* In the FY\_2022-23 the write off good will - non operational balance sheet item

## 2. REVIEW OF PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS:

Your directors are pleased to report that in spite of severe impact on Country's economy and almost all the industries with de-growth to a great extent, your Company has been able to with stand the impact and registered performance at the same level of FY'23.

## 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year, there was no change in the nature of business of the Company. Further, there was no significant change in the nature of business carried on by its subsidiaries.

## 4. DIVIDEND AND TRANSFER TO RESERVES:

The Company has not declared any dividend for the financial year March 31, 2023 and no amount is proposed to be transferred to the reserve. Instead, the Directors have recommended retaining the entire profits for the financial year ended March 31, 2023 in the profit and loss account.



Your Company did not have any amounts due or outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Dividend Distribution which is disseminated on the Company's website at <https://www.kellton.com/legal-policies>.

## 5. ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with read with Rule 12 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Return of the Company for financial year 2022-23 prepared in accordance with Section 92(1) of the Act has been placed on the website and is available at <https://www.kellton.com/annual-general-meeting>

## 6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

## 7. 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:

There are no significant and material order has been passed by Regulators or Courts, Tribunals impacting the going concern status and Company's operations in future.

## 8. SHARE CAPITAL:

The Authorized Share Capital of the Company stands at Rs. 60,00,00,000 (Rupees Sixty Crore only) divided into 12,00,00,000 (Twelve Crore only) Equity Shares of Rs. 5/- (Rupees Five) each and the Paid up Share Capital stand at Rs. 48,26,53,995 (Fourty Eight Crore Twenty Six Lakh Fifty Three Thousand Nine Hundred Ninety Five) divided into 9,65,30,799 (Nine Crore Sixty Five Lakh Thirty Thousand Seven Hundred Ninety Nine) Equity Shares of Rs. 5/- (Rupees Five) each.

l) The shareholders of the company have vide resolution passed at the 19th Annual General Meeting approved ESOP 2013 and has granted options to the employees.



Disclosure regarding Employees Stock Option Plan and forming part of the Directors' Report for the year ended March 31, 2023 is as follows:

S.no	Particulars	Description
1.	Date of Share holder's approval	ESOP Scheme, 2013 as approved on 27/12/2013 and amendment made on 27/09/2017 at the 23rd Annual General Meeting of the Company
2.	Total number of options granted	37,85,000
3.	Vesting requirements	12-60 months
4.	The pricing formula	Closing price of equity shares on the stock exchange where the shares are listed from vesting date
5.	Maximum term of options granted	Employees to exercise options within 3 years
6.	Source of shares	Primary
7.	Method used to account for ESOS	Fair Value

During the year under the review the Company has allotted 34,999 (Thirty Four thousand Nine hundred and Ninety Nine) equity shares of Rs. 5/- each upon exercising of ESOP by the employee of the Company.

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	13,01,839
Number of options granted during the year	0
Number of options forfeited / lapsed during the year	84,337
Number of options vested during the year	3,19,162
Number of options exercised during the year	34,999
Number of shares arising as a result of exercise of options	34,999
Money realized by exercise of options (INR), if scheme is implemented directly by the company	0
Loan repaid by the Trust during the year from exercise price received	0
Number of options outstanding at the end of the year	11,82,503
Number of options exercisable at the end of the year	6,29,993

**Note:** Details of disclosures pursuant to ESOP required under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available at the website [www.kellton.com](http://www.kellton.com)



## 9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of loans, guarantees and investments covered under Section 186 of the Act, along with the purpose for which such loan or guarantee was proposed to be utilized by the recipient, form part of the notes to the financial statements provided in this Integrated Annual Report

## 10. PUBLIC DEPOSITS:

The Company has not accepted/renewed any fixed deposits during the year under review.

## 11. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- **CONSERVATION OF ENERGY:**

Information on Conservation of energy as required under Section 134(3)(m) of the Act read with the Rules made thereunder is not applicable to the Company and hence, no annexure forms part of this report.

- **TECHNOLOGY ABSORPTION:**

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

- **FOREIGN EXCHANGE EARNINGS AND OUTGO :**

In accordance with the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is provided under Notes 35 (ii-a) to the Financial Statement for the year.

## 12. LISTING WITH STOCK EXCHANGES:

The Equity Shares of your Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company confirms that it has paid the Annual Listing Fees for the year 2022-23 to NSE and BSE where the Company's Shares are listed.

## 13. DIRECTORS, KEY MANAGERIAL PERSONNEL & BOARD MEETINGS :

### **COMPOSITION OF THE BOARD**

The composition of the Board of the Company is in accordance with the provisions of Section 149 of the Companies Act 2013 and Regulation 17 of the Listing Regulations, with an optimum combination of Executive, Non-Executive and Independent Directors.



The Board of Directors of your company is duly constituted. The Board consists of Total of 8 Directors, comprising of 3 Executive Directors, and 5 Non-Executive Directors including 4 Independent Directors. The Chairman of the Board is Executive Director. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of the Annual Report.

The Directors on the Board of the Company are persons with proven competency, integrity, experience, leadership qualities, financial and strategic insight. They have a strong commitment to the Company and devote sufficient time to the Meetings.

Your Directors believe that the Board must consciously create a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests.

The company has maintained an optimum combination of Executive and Non-Executive Directors.

## **Following Changes took place in the Directors and KMP of the Company during the Financial year 2022-23**

- Ms. Surabi Jain, resigned from the position of Company Secretary and Compliance Officer of the Company *w.e.f.* close of business hours on July 06, 2022. The Board placed on record its sincere appreciation for the contribution made by her during her tenure.
- Mrs. Kunda Kalpana (DIN: 07328517), resigned from her office of the Independent Director of the Company *w.e.f.* close of business hours on May 30, 2022. The Board placed on record its sincere appreciation for the contribution made by her during her tenure
- The Board of Directors at their meeting held on July 27, 2022, approved the appointment of as Mr. Rahul Jain as Company Secretary and Compliance Officer of the Company with immediate effect.
- The Board of Directors at their meeting held on September 06, 2022 has appointed Ms. Geeta Goti (DIN- 06866598) as Independent Director, which was further confirmed by the Shareholders at the AGM held on September 30, 2022.
- Except the above, there were no changes in the Key Managerial Personnel of the Company.

## **DIRECTOR(S) LIABLE TO RETIRE BY ROTATION**

- i. In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Mr. Srinivas Potluri (DIN: 03412700) Director of the Company retires by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offers himself for re-appointment at the ensuing AGM. The Board on the recommendation of the Nomination & Remuneration Committee (NRC) has recommended his re-appointment
- ii. Re-appointment of Directors the Board, based on the performance evaluation and on recommendation of the NRC, has considered below re-appointments at its Meeting held on September 05 2023 subject



to approval of the Members of the Company and on terms and conditions including remuneration as mentioned in the Notice of the AGM.

<b>S. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Term</b>	<b>Effective from</b>
1	Krishna Chintam	01658145	Managing Director	05 year	April 09, 2024
2	Karanjit Singh	06898258	Whole-Time Director	05 year	Mar 29, 2024
3	Satya Prasad	08082530	Independent Director	05 year	Sep 30, 2023

The Resolutions seeking approval of Members for the re-appointment of all the Directors are detailed in the Notice of the ensuing AGM along with their brief profile

## **COMMITTEES OF THE BOARD**

The Board has set up various Committees in compliance with the requirements of the business & relevant provisions of applicable laws and layered down well documented terms of references of all the Committees. Details with respect to the Composition, terms of reference and number of meetings held, etc. are included in the Report on Corporate Governance forming part of the Annual Report.

During the year under review, all the recommendations/submissions made by the Audit Committee and other Committees of the Board were accepted by the Board.

## **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

As stipulated in the Code of Conduct for Independent Directors under the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on February 14, 2023 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole.

The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board, which is necessary to effectively and reasonably perform and discharge their duties.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors of your Company have submitted their declaration of independence, as required, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence, as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are not disqualified from continuing as Independent Directors of your Company. Further, veracity of the above declarations has been assessed by the Board, in accordance with Regulation 25(9) of the Listing Regulations.





The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite qualifications, expertise & experience (including the proficiency) and competency in the business & industry knowledge, financial expertise, digital & information technology, corporate governance, legal and compliance, marketing & sales, risk management, leadership & human resource development and general management as required to fulfill their duties as Independent Directors.

## **14. NUMBER OF MEETINGS OF THE BOARD:**

The Board of Directors of the Company met 8 (Eight) times during the year under review. The details of these Board Meetings are provided in the Report on Corporate Governance section forming part of the Annual Report. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

## **15. BOARD AND PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, 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 participation in the meetings and contribution, independence of judgment, safeguarding the interest of the Company and other stakeholders etc. The Board of Directors expressed their satisfaction with the evaluation process.

In a separate meeting held on February 14, 2023, the performance evaluation of the Chairman, Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The Independent Directors expressed their satisfaction with the evaluation process. The performance evaluation of all the Directors, Committees and the Board was carried out by the Nomination & Remuneration Committee, Independent Directors and Board at their respective meetings.

- a. More effective board process
- b. Better collaboration and communication
- c. Greater clarity with regard to members roles and responsibilities
- d. Improved chairman – managing directors and board relations

The evaluation process covers the following aspects

- Self evaluation of directors.
- Evaluation of the performance and effectiveness of the board.



- Evaluation of the performance and effectiveness of the committees.
- Feedback from the non executive directors to the chairman.
- Feedback on management support to the board.

## 16. SUCCESSION PLAN

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management

## 17. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with the applicable Secretarial Standards. The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company

## 18. DIRECTORS' RESPONSIBILITY STATEMENT::

Pursuant to the requirement under section 134 (3) and (5) of the Companies Act 2013, with respect to Directors' Responsibility Statement, your board of directors to the best of their knowledge and ability confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts of the Company on a going concern basis.
- They have laid down internal financial controls, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 19. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this report. **Annexure- V**



## 20. SUBSIDIARY COMPANIES:

Following are the Subsidiary and Step-down subsidiaries of the Company:

Name of the Entity	Status
Kellton Dbydx Software Private Limited	Wholly Owned Subsidiary
Kellton Tech Inc	Wholly Owned Subsidiary
Kellton Tech Solutions Inc	Wholly Owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly Owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Vivos Professionals Services LLC	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Prosoft Technology Group Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Intelligencepeople Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Kellton Tech (UK) Limited	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Limited)
Lenmar Consulting Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
SID Computer Group Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Talent Partners Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Planet Pro Inc	Step Down Subsidiary (wholly owned subsidiary of Kellton Tech Inc)
Tivix Europe S P Z.O.O (Poland)	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Limited)
PlanetPro Canada Inc.	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Limited)
PlanetPro Asia Pte. (Singapore)	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Limited)

## 21. CONSOLIDATION OF ACCOUNTS:

The Consolidated Financial Statements of the Company and its Subsidiaries ("the Group") for the year ended March 31, 2023 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.



A statement containing brief financial details of the subsidiaries for the financial year ended March 31, 2023 in the prescribed format AOC-1 is appended as **Annexure - II** to the Board's Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the subsidiaries will also be available for inspection, as above, at registered office of the respective subsidiary companies.

## 22. AUDITORS

### I. Statutory Auditor:

In terms of provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, at the 26th Annual General Meeting held on September 28, 2020, the Company has appointed M/s. Anant Rao & Malik, Chartered Accountants having FRN: 006266S), Hyderabad, as statutory auditors of the Company to hold the office for the term of 5 (Five) years till the conclusion of 31st Annual General Meeting of the Company. They have confirmed that they are not disqualified from continuing as auditors of the company.

The Notes on financial statement referred in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process

Mr. V. Anant Rao Partner, M/s. Anant Rao & Malik , Chartered Accountants, Statutory Auditors of the Company, has signed the Audited Financial Statements of the Company

### II. Statutory Auditors' Report

The Statutory Auditors' Report issued by M/s. Anant Rao & Malik Chartered Accountants for the year under review does not contain any qualification, reservations, adverse remarks or disclaimer. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

### III. Secretarial Auditor and Secretarial Audit Report:

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. NVSS Suryanarayana



Rao, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2022-23 and secretarial audit report for the financial year ended March 31, 2023 is enclosed as **Annexure-VII and Annexure-VII(A)**.

## IV. MAINTENANCE OF COST RECORDS & COST AUDIT

The Company is engaged in Information Technology & related activities and hence provisions related to maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable.

## V. INTERNAL AUDITORS

The Board at its Meeting held on May 30, 2022 had appointed Mr. Ravindhar Reddy, Chartered Accountants, as Internal Auditors for the FY 2022-23 to conduct the internal audit of the various areas of operations and records of the Company. Further, the Board at its Meeting held on May 30, 2023 has re-appointed M/s. Mr. Ravindhar Reddy, Chartered Accountants as the Internal Auditors for a term of 5 (five) years commencing from FY 2023-24 to FY 2027-28. The periodic reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

### Management responses to observations in Secretarial Audit Report:

The following are the responses of the management against the observations made by the Secretarial Auditor:

S. No.	Observation	Response by Management
1.	<i>The company has filed the Form MGT-15 vide SRN. F63392997 dated 23-08-2023 with respect to Report on Annual General Meeting with Registrar of Companies with a delay of 297 days. However, the same has been filed with additional fee and same has been taken on record by Registrar of Companies, Telangana.</i>	<i>There was a delay in filing certain due to the administrative approval process. The Company will ensure timely compliance in future</i>

As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such statutory authority obtained from M/s. NVSS Suryanarayana Rao., Practicing Company Secretaries is a part of the Corporate Governance report under **Annexure VI(A)**



## 23. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR):

In terms of Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an Environmental, Social, Governance & Sustainability perspective are provided in the Business Responsibility & Sustainability Report ("BRSR") which is presented in a separate section and forms part of the Annual Report and is also uploaded on the website of the Company at [www.kellton.com](http://www.kellton.com).

BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct and a report under each principle, which is divided into essential and leadership indicators is also part of it. The Business Responsibility & Sustainability Committee oversees the BRSR and policies as may be required from time to time.

## 24. CORPORATE SOCIAL RESPONSIBILITY:

Kellton Tech believes in balancing growth priorities with social responsibility. Indeed, even in its commercial undertakings, it attaches special weightage to those projects concerning the welfare of masses. With healthcare, child education and destitute care as its focus areas, Kellton Tech has contributed to its bit to society through various initiatives in these arenas. Kellton Tech is providing scholarship to needy, deserving students for further education.

A Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended to this annual report as **Annexure – IX** and link to the CSR policy is available at the website [www.kellton.com](http://www.kellton.com)

## 25. WHISTLE BLOWER POLICY/VIGIL MECHANISM:

Pursuant to the provisions of section 177 of the Companies act, 2013 and the rules framed there under and pursuant to the applicable provision of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company viz. <https://www.kellton.com/legal-policies>

## 26. RISK MANAGEMENT POLICY:

The Company has risk management policy in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may jeopardize the existence of the Company.



Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2021, top 1000 listed companies based on market capitalization is mandatorily required to constitute the Risk Management Committee and adopt the Risk Management Policy of the Company. Meetings of the risk management committee were held on May 30, 2022, August 13, 2022, November 14, 2022 and February 14, 2023.

## 27. POLICY ON SEXUAL HARASSMENT:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has in place duly constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints reported by women. The constitution of the ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external members from NGOs or with relevant experience. Investigation is conducted and decisions made by the ICC at the respective location, and a senior women employee is the presiding officer over every case. Majority of the total members of the IC are women.

The policy on sexual Harassment policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company viz. <https://www.kellton.com/governance-new>.

During the financial year ended March 31, 2023, the Company has not received any complaints pertaining to Sexual Harassment.

## 28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has formulated a policy on materiality of related party transactions and manner of dealing with related party transactions which is available on the Company's website at the link: <https://www.kellton.com/legal-policies>

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis.

Particulars of every contract or 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 shall be disclosed in Form No. AOC-2 as **Annexure -III**

All transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. Details of transactions, contracts and arrangements entered into with related parties by the Company, during FY 2022-23, is given under Notes to Accounts annexed to Financial Statements, which forms part of this Annual Report.





## 29. MATERIAL SUBSIDIARY POLICY:

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Agreement. The Policy on Material Subsidiary is available on the website of the Company at <https://www.kellton.com/legal-policies>

## 30. PARTICULARS OF EMPLOYEES:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure - IV** to this Report.

In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – IV** and forms part of this Report

## 31. CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

As required under the SEBI Guidelines, the Chairman and Managing Director and the Chief Financial Officer Certification is attached to this Report

## 32. INTERNAL AUDIT & CONTROLS:

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly. The internal control is supplemented by an extensive program of internal audits, review by management and procedures. It is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets. The Company's Internal Audit Department is regularly carrying out the Audit in all areas. Normal foreseeable risks of the Company's Assets are adequately covered by comprehensive insurances.

## 33. INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to



ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. These systems ascertain that transactions are authorised, recorded and reported correctly. The Company ensures adherence with all internal control policies and procedures as well as compliance with all regulatory guidelines in respect of the business, risk, branches and support functions. The Audit Committee of the Board of Directors reviews the adequacy of these systems. All significant audit observations of the Internal Auditors and follow-up actions were duly reported upon and discussed at the Audit Committee. During the year under review, the 'Internal Control Framework' was evaluated on the design and effectiveness of controls by an Independent Risk Advisory Consultant and was found to be in accordance with the Internal Financial controls requirement of Companies Act, 2013. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

### **34. INDUSTRIAL RELATIONS:**

The Company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.

### **35. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)**

During the period under review, there was no application made nor any proceeding initiated or pending under the Insolvency and Bankruptcy code, 2016.

### **36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the period under review, there was no one time settlement with any Bank.

### **37. HUMAN RESOURCES:**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### **38. ACKNOWLEDGEMENTS:**

Your Directors wish to express their appreciation for the support and co-operation extended by the bankers, financial institutions, joint development partners, shareholders, government agencies and other business associates. Your Directors wish to place on record their deep sense of appreciation for the committed services by the employees of the Company.

# KELLTON TECH SOLUTIONS LIMITED



For and on behalf of the Board of  
**Kellton Tech Solutions Limited**

**Sd/-**

**Krishna Chintam**

Managing Director

DIN: 01658145

**Sd/-**

**Niranjan Chintam**

Whole-Time Director

DIN: 01658591

**Place :** Hyderabad

**Date :** 05.09.2023

### FORM 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

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S No.	Particulars	Details		
1.	<b>Name of the subsidiary</b>	<b>Kellton Dbydx Software Private Limited</b>	<b>Kellton Tech Solutions Inc.</b>	<b>Kellton Tech Inc.</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2022 to March 31, 2023	January 01, 2022 to December 31, 2022	January 01, 2022 to December 31, 2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency: INR Exchange Rate: NA	Reporting Currency: Dollar Exchange Rate: 82.79	Reporting Currency: Dollar Exchange Rate: 82.79
4.	Share capital	83,23,765	65,05,05,867	38,62,15,350
5.	Reserves & surplus	85,93,860	8,48,40,294	72,28,12,252
6.	Total assets	4,05,05,428	1,92,01,48,304	1,50,50,59,114
7.	Total Liabilities	2,35,87,803	1,18,48,02,143	39,60,31,512
8.	Investments	Nil	Nil	Nil
9.	Turnover	5,15,38,248	4,76,66,27,047	2,53,93,17,080
10.	Profit before taxation	17,11,233	7,20,12,232	5,20,02,469
11.	Provision for taxation	(530050)	(8,60,685)	4,72,814
12.	Profit after taxation	22,41,283	7,28,72,917	5,15,29,655
13.	Proposed Dividend	--	--	--
14.	% of shareholding	100	100	100

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil



## Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Not Applicable
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year Considered in Consolidation	
i. Considered in Consolidation ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations : Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year : Nil



### FORM AOC-2

**Form for 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 arms length transactions under third proviso thereto  
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There was no such contract or arrangement or transaction entered during the year ended March 31, 2023 which was not at arm's length basis.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts/arrangements/ Transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
Prosoft Technology Group Inc. (Step-down Subsidiary)	1 year, Sale of services	16,39,83,569	Amount as per monthly invoice raised based on transfer pricing guidelines	May 30, 2022	-
Kellton Tech Limited (Wholly Owned Subsidiary)	1 year, Sale of services	7,09,56,552	Amount as per monthly invoice raised based on transfer pricing guidelines	May 30, 2022	-
Lenmar Consulting Inc (Step-down Subsidiary)	1 year, Sale of services	2,14,28,313	Amount as per monthly invoice raised based on transfer pricing guidelines	May 30, 2022	-
Sreevidya Chintam & Niranjan Chintam (Relative of Key Managerial Personnel)	1 year, Rent paid for office building	2,01,01,464	Rent on monthly basis as per lease deed	May 30, 2022	-
Kellton Dbydx Software Private Limited (Subsidiary)	1 year, Sale of services	1,83,46,868	Amount as per invoice raised based on cost plus margin	May 30, 2022	-



For and on behalf of the Board of  
**Kellton Tech Solutions Limited**

**Sd/-**  
**Krishna Chintam**  
Managing Director  
DIN: 01658145

**Sd/-**  
**Niranjan Chintam**  
Whole-Time Director  
DIN: 01658591

**Place :** Hyderabad

**Date :** 05.09.2023

### STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

#### PART-A

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2022-23:

S.No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Niranjan Chintam	3.11
2.	Mr. Krishna Chintam	3.11
3.	Mr. Karan Jit Singh	5.69
4.	Mr. Srinivasa Vijay Kumar Appana	Nil
5.	Mr. Brijmohan Venkata Mandala	Nil
6.	Mr. Srinivas Potluri	Nil
7.	Mr. P V V Srinivasa Rao	Nil
8.	Ms. Kunda Kalpana	Nil
9.	Ms. Geeta Goti	Nil

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year 2022-23

1.	Mr. Niranjan Chintam	Nil
2.	Mr. Krishna Chintam	Nil
3.	Mr. Karan Jit Singh	Nil
4.	Mr. Srinivasa Vijay Kumar Appana	Nil
5.	Mr. Brijmohan Venkata Mandala	Nil
6.	Mr. Srinivas Potluri	Nil
7.	Mr. P V V Srinivasa Rao	Nil
8.	Ms. Kunda Kalpana	Nil
9.	Ms. Surabi Jain	Nil
10.	Mr. Rahul Jain	Nil

(iii) The number of permanent employees on the rolls of Company: 1205

(IV) In the Financial Year 2022-23, there was an increase of 27.87% in the median Remuneration of employees.

(V) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(VI) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.





(VII) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

## PART-B

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(2) Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2021

**1) Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration aggregating Rs 1,02,00,000 or more**

Name of the Employee	Designation	Remuneration ( in Rs)	Qualification	Experience (years)	Date of end of Employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Nil								

**2) Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration for a part of that year, at a rate which, in aggregate, was not less than Rs. 8,50,000 per month**

Name of the Employee	Designation	Remuneration ( in Rs)	Qualification	Experience (years)	Date of end of Employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Nil								

**3) Employee employed throughout the financial year or the part thereof, was in receipt of remuneration that year which, in the aggregate, or the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company: Nil**

For and on behalf of the Board of  
**Kellton Tech Solutions Limited**

**Sd/-**  
**Krishna Chintam**  
Managing Director  
DIN: 01658145

**Sd/-**  
**Niranjana Chintam**  
Whole-Time Director  
DIN: 01658591

**Place :** Hyderabad

**Date :** 05.09.2023



## Management Discussion and Analysis Report

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### ECONOMY OVERVIEW

The world economy is entering a phase of low growth despite showing remarkable resilience in the face of heightened uncertainties, stubborn inflation, rising interest rates, and the Ukraine conflict. According to the International Monetary Fund (IMF), in its April 2023 "World Economic Outlook," the economic growth is forecast to bottom out at 2.8% for 2023 against 3.4% in 2022 before rising modestly to 3% in 2024."

Fresh headwinds, such as the turbulence in the US banking sector, disruptions in local supply chains, and a sharp devaluation of major start-ups across economies, are further deteriorating the possibilities of robust economic growth. In order to successfully navigate these challenges, businesses are likely to spend cautiously and keep a strict watch on cash flows, at least in the first three quarters of 2023. To further secure and strengthen supply chains from local and global disruptions, businesses can also plan to move production to their home countries or stable economies.

#### US

In the aftermath of the pandemic, the US economy grappled with the impact of inflation and financial uncertainties, resulting in a notable deceleration. With the GDP growth rate hovering at 2.1% and unemployment surpassing 5%, challenges were evident. Nonetheless, a positive outlook emerges for the years 2023 and 2024 as the economy anticipates a resurgence. As inflation is moving in the right direction and can gradually drop down to the Fed's targeted 2% by late 2024, hopes are high for a revitalized economic trajectory.

#### EUROPE

The Eurozone economy is facing a notable shift in growth dynamics. The advanced economies of Europe are expected to experience a considerable deceleration in growth, dropping from 3.6 percent last year to a mere 0.7 percent this year. Similarly, emerging economies, with the exception of Türkiye, Belarus, Russia, and Ukraine, are also poised to witness a sharp decline in growth, plummeting from 4.4 percent to 1.1 percent. However, the outlook shows a glimmer of hope as a mild recovery is anticipated for the next year, with growth rates projected to rebound to 1.4 percent and 3 percent for advanced and emerging economies, respectively.



## INDIA

In FY 23, the Indian economy witnessed an impressive 6.9 percent real GDP growth, driven by robust domestic demand, government-backed infrastructure investment, and strong private consumption. However, global headwinds, such as tightening financial conditions, inflationary pressures, and geopolitical tensions, are likely to moderate the growth rate to 6.3 percent in the next fiscal from the estimated 6.9 percent in FY 23.

## INDUSTRY & COMPANY OUTLOOK

The last few years have witnessed remarkable growth for the IT industry as businesses are increasingly investing in next-generation technologies to become disruptors in their industries rather than being disrupted. According to Gartner, worldwide IT spending is expected to reach USD 4.6 trillion in 2023, marking a 5.5% increase from the previous year. While consumer purchasing power is being eroded by inflation, resulting in a decrease in device spending, enterprise IT spending is anticipated to stay robust. Businesses increasingly rely on technology to scale automated services, streamline supply chains, enhance cyber resilience, and achieve sustainability goals.

In the fiscal year 2023, the industry continued with its robust performance in terms of revenue generation. Driven by the increasing pressure for digital transformation and cyber resilience and a multitude of factors, such as a hybrid work model and reduced overhead costs, the industry will continue to perform in the next fiscal year. Digitalization is also gaining momentum, with the technology industry seeing a 32-34% share of digital revenues in their total revenue mix and an estimated 2 million digitally competent professionals.

Indian IT industry Indian IT industry is on an impressive growth trajectory. According to NASSCOM, India remains a global talent hub, with the technology sector employing over 5.4 million workforce and creating 290,000 new jobs in FY23. With a 36% digitally skilled workforce, the industry remains on the top in terms of AI skills penetration, the 2nd largest in terms of AI/ML BDA talent pool globally, and the 3rd globally in terms of installed supply of Cloud professionals.

Despite several global headwinds and moderation in demand seen in the last quarter of the financial year 2023, the Indian IT industry's value proposition of resilience, agility, and a transformation partner for global enterprises has enabled the industry to strengthen its leadership in core and emerging areas. It expects spending on digital to continue with evolving priorities as per the changing macroeconomic environment.

In the fiscal year 2023, Kellton made significant progress in further unifying our diverse capabilities and global talent to generate better outcomes for our customers. As we set our sights on our next revenue milestone of US\$ 300 million, the entirety of FY23 was dedicated to meticulously laying down the foundational elements required to achieve this ambitious target and propel us even further in the new fiscal. Despite the challenges posed by persistent global headwinds and impending recessions in a few



of our markets, our unwavering commitment to excellence helped us emerge as a leader in the realm of digital transformation and win record-high large deals. As we transition into the fiscal year 2023-24, we are hopeful for a more inclusive and sustainable growth for all our stakeholders, including our employees, partners, and customers.

## STRATEGY AND EXECUTION

In the financial year 2022-23, we made significant progress under OneKellton - a transformative program that has been designed to combine our global competencies seamlessly to create liquid ways to serve our customers across geographies. Our entire ecosystem, consisting of our people, partners, and processes, now reflects the inherent values of OneKellton, i.e., collaboration, innovation, and generating sustainable value for clients. We aim to achieve more tangible results in the new fiscal year, driving our ability to innovate and generate new revenue streams.

During the year, Kellton successfully stepped into a new era of possibilities. The new pillars that now support the growth and vision of Kellton include the following:

### **Harnessing the power of AI:**

Generative AI (GenAI) has helped us lay the groundwork for the future of work at Kellton. In the year under review, we have proactively invested our resources in leveraging artificial intelligence to positively impact our employee productivity and experience and craft meaningful solutions for our customers, who range from start-ups to Fortune 1000 companies. Our deep association with global AI partners and our leadership in the innovative technology landscape uniquely position us as a trusted strategic partner in developing and deploying secure GenAI solutions.

Global delivery support:

In FY23, Kellton further perfected its global delivery model as was envisioned under the OneKellton program. Through our optimized global delivery model (GDM), we aim to build more robust service pipelines for our customers across industries and geographies. The Centers of Excellence (CoE), the Kverse Experience Center, and a hybrid model of on-shore, off-shore, and near-shore capabilities have helped us forge a new path to build more disruptive solutions for our clients that can help them reshape the future in their respective industries.

### **Strategic transformation partner of existing clients:**

Businesses today need transformative solutions to drive change and gain a competitive advantage. Kellton draws on its globally distributed team of 1800+ people and years of experience staying at the bleeding edge of technological revolution to craft robust and future-ready solutions for its clients. The unrelenting focus on engineering success for the businesses we serve makes us a 'strategic transformation partner of choice' for organizations that see technology as a strategic differentiator and help us win repeat business.



**Strengthening partnership ecosystems:**

Our vast partnership ecosystem is one of the key strengths that help us build on our digital and business transformation capabilities and deliver next-generation solutions. Some of the industry-leading forces that help us redefine digital for our clients include names like AWS, SoftwareAG, SAP, Snowflake, Alteryx, Cloudera, and Big Commerce. In the next fiscal year, we will continue to strengthen our partnerships network so as to build more secure and dependable solutions for our clients.

**Expanding the growth horizons of our people:**

Our employees are the force behind our ability to dream, design, and deliver human-centered experiences. Through these people, we successfully take on the uncertainties of the future and convert challenges into opportunities. To help them unleash their full potential and bring their whole selves to work every single day, we constantly expose them to new learning experiences and programs that can help them learn, unlearn, and relearn. In 2022-23, we conducted a series of employee learning and development programs to augment the skills of our workforce.

**RISKS AND CONCERNS**

Unmanaged risks and uncertainties can have a detrimental impact on business operations and profitability. At Kellton, we manage the complex web of risk types by anchoring risk management in our day-to-day decision-making and embedding security and compliance in our products and services early on. Our robust enterprise risk management framework (ERM) enables us to proactively and effectively identify, assess, and treat risks across the organization.

In addition to continually optimizing our risk management framework, we have been investing in building an effective risk-aware culture where our people are well-versed with all the risk types that Kellton is exposed to. The most significant risks and concerns that we confront as a global organization include, but are not limited to, the following:

Risk Types	Impact	Mitigation
Regulatory risks	Non-compliance with changing regulations across multiple jurisdictions could result in penalties, business loss, debarment, reputational damage, and criminal prosecution	Measures being implemented to ensure seamless compliance: <ul style="list-style-type: none"> <li>• Implementation of a compliance monitoring system to effectively monitor the compliances across various jurisdictions globally</li> <li>• Constitution of Internal Compliance Committee for governance on compliances globally</li> <li>• Engagement with external consultancy firms for timely updation of the Compliance Obligation Registers in line with changing laws</li> </ul>



<p>Macroeconomic and geopolitical risks</p>	<p>Geopolitical disruptions such as the Russia-Ukraine conflict and resultant volatility in the global economy may adversely affect the outlook and cause inflation. This, in turn, can result in reduced revenue growth opportunities that can impact client spending and business costs</p>	<ul style="list-style-type: none"> <li>• Geopolitical developments like trade wars, sanctions, export controls, and border conflicts, which may impact supply chains, lead to the loss of new opportunities, and harm the IT sector’s global business environment, are monitored closely</li> <li>• Macro-economic parameters, such as GDP growth, interest rate, and inflation, are tracked to identify uncertainties in economic conditions that may impact the countries in which we operate</li> <li>• A diversified revenue mix across different geographies and domains helps to mitigate this risk</li> </ul>
<p>Human capital risks</p>	<p>Human capital risks are associated with high attrition levels, involuntary churn, and employee productivity due to Work From Home (WFH) High attrition levels adversely impact resource deployment on new and existing projects. Partial work from home carries the risk of loss of productivity and associated cyber security and data protection risks</p>	<ul style="list-style-type: none"> <li>• Proactive projections of resource demand</li> <li>• Strengthening HRBP functions to address employee concerns proactively to control attrition</li> </ul>
<p>Cyber security risks</p>	<p>Cyber security and privacy risks can lead to a series of disasters for an organization. Unauthorized use or unlawful disclosure of sensitive data/information can attract hefty fines/penalties from regulators and/or damage the company’s reputation</p>	<ul style="list-style-type: none"> <li>• Data protection controls (encryption, data leakage prevention, etc.) and Cyber security tools (firewalls, antivirus, etc.) are deployed to prevent cyber-attacks and data exfiltration</li> <li>• User awareness and supplier risk management is rigorously implemented to ensure the effective deployment of data security controls</li> <li>• Security controls are continuously monitored and rigorously assessed through Annual Privacy Audit, IT Audits, External Health Check Audits, and Customer Audits</li> </ul>



<p>Future pandemic risks</p>	<p>The Company’s operations could be adversely affected due to the impact of the pandemic on employee health and safety</p>	<ul style="list-style-type: none"> <li>• Various programs have been implemented in the organization to maintain employee health and safety, which helped to combat the situation, especially in the earlier part of this year.</li> <li>• Vaccination drives for employee safety 24x7 emergency medical helpline Establishment of COVID-19 emergency response cell</li> </ul>
<p>Foreign exchange risks</p>	<p>With the majority of the business being export-driven, the company is exposed to foreign exchange risk</p>	<ul style="list-style-type: none"> <li>• The organization has an approved Financial Risk Management Policy, which provides a framework for managing the foreign exchange risk emanating out of the business. The policy enables the implementation of a layered hedging program at the Company level.</li> </ul>

**WORKFORCE**

Kellton believes in empowering its people. Over the years, we have put in significant efforts and investments in building a people-centric culture that helps us attract, retain, and engage top talent in the industry. Offering a holistic and fulfilling experience builds the core of our people strategy at Kellton and helps us cater to the diverse needs of our employees.

In line with our vision laid down under the OneKellton initiative, our various employed learning and development programs have helped us bring our globally distributed teams together on one common platform to improve collaboration and customer service. In order to create a more unified and connected organization driven by employee-friendly policies and a strong belief in diversity, equity, and inclusion in the workforce, we further strengthened our HR leadership by onboarding key people in strategic HR roles. They will be primarily responsible for spearheading new initiatives and building a more integrated and collaborative ecosystem of people, processes, and partners that can help our clients outperform their competitors.

As of March 31, 2023, the total workforce at Kellton was 1671. We are growing as a family and taking pride in our cultural and ethnic diversity. Gender parity and women's participation across departments are at the forefront of our growth approach. Equal growth and role opportunities for all while letting go of the prejudices of age, gender, or favoritism is the principle we work on. We are pleased to inform you that approximately 22% of our total current workforce are women.



### REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

#### 1. COMPANY'S PHILOSOPHY:

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over long term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed. Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment

Corporate governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mind-set of the organization. The effectiveness of corporate governance in the Company depends on regular review, preferably regular independent review.

Kellton Tech Solutions Limited strives to deliver state-of-the art enterprise IT Solutions. It is committed to achieve transparency and accountability by complying with Industry Standards and establishing healthy relationship with our stakeholders. The Company believes in following best practices to achieve sustainable growth of the company and exceed our stakeholder's expectations.

Corporate governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at workplace have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of its stakeholders.

This report shall reflect the compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) as given below:

#### 2. BOARD OF DIRECTORS:

During the Financial Year the Board of Directors of the Company comprised of Eight Directors. The Company has an Executive Chairman. 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. The Board periodically reviews its composition to ensure compliance with the regulatory requirements and it is closely aligned with the strategic and long-term goals of the Company.

Ms. Kunda Kalpana (DIN-07328517), the Independent Director of the Company has tendered her resignation close of business hours on On July 06, 2022. The Board placed on record its sincere appreciation for the contribution made by her during her tenure. Ms. Kalpana has stated in her resignation she has tendered her resignation only because of her pre-occupation, and apart from this there is no material reason of her resignation.

Further, Ms. Geeta Goti (DIN- 06866598) has been appointed on the Board as an Independent Woman Director on September 06, 2022.





**a) As on March 31, 2023, the Board of Directors of the Company comprises of the following directors**

1	Mr. Niranjan Reddy Chintam	Executive Director
2	Mr. Krishna Reddy Chintam	Managing Director
3	Mr. Karan Jit Singh	Executive Directors
4	Mr. Srinivas Potluri	Non-Executive Non- Independent Director
5	Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Directors
6	Mr. Brijmohan Venkata Mandala	Non-Executive Independent Directors
7	Mr. Srinivasa Rao Veera Venkata Pydisetty	Non-Executive Independent Directors
8	Ms. Geeta Goti	Non-Executive Independent Directors

**b) Attendance of each director at the Board meetings held during the year 2022-23 and at the last Annual General Meeting**

During the year under review, The Board of Directors of the Company met 8 (Eight) times on May 30, 2022 July 27, 2022 August 13, 2022 September 06, 2022 November 14, 2022 December 05, 2022 December 23, 2022 and February 14, 2023. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act and Listing Regulations. Last Annual General Meeting of Members of the Company was held on September 30, 2022.

Details of attendance of Directors at the meetings of the Board of Directors held during the year and the last Annual General Meeting are given below :

Name of the Director	Held during tenure	Attended	AGM – September 30, 2022
Mr. Niranjan Reddy Chintam	8	8	Yes
Mr. Krishna Reddy Chintam	8	8	Yes
Mr. Karan Jit Singh	8	8	Yes
Mr. Srinivas Potluri	8	8	Yes
Mr. Srinivasa Vijay Kumar Appana	8	8	Yes
Mr. Brijmohan Venkata Mandala	8	8	Yes
Mr. Srinivasa Rao Veera Venkata Pydisetty	8	5	No
Ms. Geeta Goti	4	4	Yes

During the year under review, Meeting of the Independent Directors without the presence of Non- Independent Directors and members of Management was duly held on February 14, 2023, where the Independent Directors inter alia evaluated the performance of Non-Independent Directors and the Board of Directors as a whole, reviewed the performance of Chairperson of the Board and assessed the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board of Directors.

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



## c) **Number of other directorship or Committees in which a Directors are member or Chairperson as at March 31, 2023**

Sl. No	Name of the Director	Number of other Directorships		Number of other Committee Membership/ Chairmanship		Names of the listed entities in which Directorship is held
		Public Co.	Private Co.	As Chair.	As Member	
1.	Mr. Niranjan Chintam	0	3	0	1	-
2.	Mr. Krishna Chintam	0	3	0	1	-
3.	Mr. Karanjit Singh	0	1	0	0	-
4.	Mr. Srinivas Potluri	0	0	0	0	-
5.	Mr. Srinivasa Vijay Kumar Appana	0	1	0	2	-
6.	Mr. Brijmohan Venkata Mandala	2	3	2	0	Southern Online Bio Technologies Ltd
7.	Mr. P V V Srinivasa Rao	0	0	0	0	-
8.	Ms. Geeta Goti	0	0	0	0	-

\*Excludes private companies, foreign companies and membership in committees other than stake holder relationship and audit committee.

## c) **Details of Board Meetings held during the year 2022-23:**

S. No.	Date of Board Meeting	Board Strength	Directors Attended
1.	May 30, 2022	8	7
2.	July 27, 2022	7	7
3.	August 13, 2022	7	7
4.	September 06, 2022	7	7
5.	November 14, 2022	8	7
6.	December 05, 2022	8	7
7.	December 23, 2022	8	7
8.	February 14, 2023	8	8

## d) **Disclosure of relationships between directors inter-se:**

The Directors of the Company are not related to each other as defined under Section 2(77) of the Companies Act, 2013 and Rules framed there under, except Mr. Niranjan Chintam and Mr. Krishna Chintam, who are related as Brothers.

## e) **Number of shares and convertible instruments held by non-executive Directors:**

S. No.	Name and Designation of Non - Executive Director	Number of equity shares held in the Company
1.	Brijmohan Mandala, Independent Director	2,00,000
2.	Srinivas Potluri, Non-executive Director	3,33,332

The familiarization program and other disclosures as specified under SEBI (LODR) Regulations, 2015 is available on the Company's website at <https://www.kellton.com/governance-new>



**f) List of core skills/ expertise/ competencies identified by the board as required in the context of its business(es) and sector(s) for an efficient functioning and those actually available with the Board:**

All Directors including Independent Directors go through a structured orientation/ familiarization programme to make them familiar with their roles, rights and responsibilities in the Company at the time of appointment and also on a recurrent basis. The details of various programmes undertaken for familiarizing the Independent Directors are available on the website of the Company at <https://www.kellto.com/investor>

**g) List of skills, expertise and competencies of the Board of Directors:**

The Company is engaged in the business of providing Information Technology services. To manage the operations and to formulate long term strategies for its growth, different skill sets are required.

The Board comprises qualified and experienced 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) Strategy and Transformation
- b) Finance
- c) Legal/Regulatory and Risk Management
- d) Sales/Marketing
- e) Corporate Governance
- f) Leadership

The table below summarizes the skills, expertise and competencies possessed by the Board of Directors of the Company:

Name of Director	Skills/Expertise/Competencies					
	Strategy & Transformation	Finance	Legal/Regulatory and Risk Management	Sales/Marketing	Corporate Governance	Leadership
Mr. Niranjana Chintam	✓	✓	✓	✓	✓	✓
Mr. Krishna Chintam	✓	✓	✓	✓	✓	✓
Mr. Karan Jit Singh	✓	✓	✓	✓	✓	✓
Mr. Srinivas Potluri	✓	✓	✓	✓	✓	✓
Mr. Srinivasa Vijay Kumar Appana	✓	✓	✓	✓	✓	✓
Mr. Brijmohan Venkata Mandala	✓	✓	✓	✓	✓	✓
Mr. Srinivasa Rao Veera Venkata Pydisetty	✓	✓	✓	✓	✓	✓
Ms. Geeta Goti	✓	✓	✓	✓	✓	✓



## **i) Confirmation about Independent Directors:**

All Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Based on the declarations submitted by Independent Directors, Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent of the Management.

Independent Directors have also confirmed of having complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, by including/registering their names in the data bank of Independent Directors maintained with Indian Institute of Corporate Affairs

Ms. Kunda Kalpana, Independent Director had resigned on July 07, 2022. Consequent to that, Ms. Geeta Goti has been appointed on the board as an Independent Woman Director on September 06, 2022.

## **j) CEO/CFO Certification**

As required under Regulation 17(8) of SEBI (LODR) Regulations, CEO/CFO have certified to the Board that the Financial Statements for the financial year ended March 31, 2023 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder. Copy of the Certificate is attached as **Annexure VI(B)** to this Report.

## **h) Code of conduct for Directors and Senior Management**

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel to ensure that the business of the Company is conducted with the highest standards of ethics and values in accordance with the applicable laws, regulations and rules and is critical to the success of the Company. The Code is available on the Company's website a [https://kellton-revamp-prod.s3.amazonaws.com/s3fs-public/Code%20of%20conduct\\_0.pdf](https://kellton-revamp-prod.s3.amazonaws.com/s3fs-public/Code%20of%20conduct_0.pdf).

All the Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by the CEO/CFO to this effect is enclosed as part of **Annexure VI(B)** to this Report

## **3. AUDIT COMMITTEE:**

**a)** Audit Committee acts as a link between Management and external auditors and is responsible for overseeing Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of audits. The composition and terms of reference of the Audit Committee of the Company are in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Brief description of terms of reference:

### **The terms of reference of the Audit Committee, inter alia, include:**

**I.** Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

**II.** Recommending to the Board for appointment (including re-appointment and replacement), remuneration and terms of appointment of the Auditors of the Company;



- III.** Approval of payment to Statutory Auditor for any other services rendered by the Statutory Auditor;
- IV.** Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report.
- V.** Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- VI.** Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- VII.** Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII.** Approval or any subsequent modification of transactions of the Company with related parties;
- IX.** Scrutiny of inter-corporate loans and investments;
- X.** Valuation of undertakings or assets of the Company, wherever it is necessary; xi. Evaluation of internal financial controls and risk management systems;
- XI.** Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- XII.** Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIII.** Discussion with Internal Auditor of any significant findings and follow up there on;
- XIV.** Reviewing the findings of any internal investigations by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- XV.** Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVI.** To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors, if any;



**XVII.** Reviewing the functioning of the Whistle Blower Mechanism;

**XVIII.** Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

**XIX.** reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

**XX.** consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

**XXI.** Carrying out any other function as may be delegated by the Board from time to time.

**b) Composition, Name of Members and Chairperson:**

The Audit Committee of the Board is constituted with 3 (three) directors comprising of 2 (two) Non – Executive Independent Directors and 1 (one) Executive Director. All members of Audit Committee are financially literate and having expertise in accounting/financial management.

<b>Name of the Member</b>	<b>Status</b>	<b>Nature of Directorship</b>
Brijmohan Venkata Mandala	Chairman	Independent, Non-Executive
Srinivasa Vijay Kumar Appana	Member	Independent, Non-Executive
Niranjan Reddy Chintam	Member	Executive Director

The Company Secretary of the Company acts as a Secretary of the Committee. The Chief Financial Officer along with the Statutory Auditors and Internal Auditors are invitees to the said Committee.

The Auditors and Senior Management personnel are invited as and when required. Mr. Brijmohan Mandala, Independent Director and Chairperson of the Audit Committee was present at the 28th Annual General Meeting of the Company held on September 30, 2023.

**c) Meetings and attendance during the year 2022-23:**

<b>Name of the Member</b>	<b>Held during tenure</b>	<b>Attended</b>
Brijmohan Venkata Mandala	6	6
Srinivasa Vijay Kumar Appana	6	6
Niranjan Reddy Chintam	6	6

**4. NOMINATION AND REMUNERATION CUM COMPENSATION COMMITTEE:**

The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Schedule II Part D SEBI Listing Regulations 2015.



## **Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee, inter alia, include:

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- II. Evaluation of balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of description of role and capabilities required of an Independent Director;
- III. Formulation of criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- IV. Devising a policy on diversity of the Board of Directors;
- V. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- VI. Considering and recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- VII. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- VIII. Carrying out any other function as may be delegated by the Board from time to time.

### **a. Remuneration Policy:**

The Company has adopted Remuneration Policy for Directors, Key Management Personnel and other employees of the Company and the same is available on Company's website at <https://www.kellton.com/legal-policies>

### **b. Composition, name of members and Chairperson:**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Srinivasa Vijay Kumar Appana	Chairman	Independent, Non-Executive
Brijmohan Venkata Mandala	Member	Independent, Non-Executive
Srinivasa Rao Veera Venkata Pydisetty	Member	Independent, Non-Executive
Niranjan Reddy Chintam	Member	Whole-Time Director, Executive

The Company Secretary of the Company acts as the Secretary to the Nomination & Remuneration Committee.

### **c. Meetings and Attendance during the year 2022-23:**

<b>Name of the Member</b>	<b>Held during tenure</b>	<b>Attended</b>
Srinivasa Vijay Kumar Appana	4	4
Brijmohan Venkata Mandala	4	4
Srinivasa Rao Veera Venkata Pydisetty	4	1
Niranjan Reddy Chintam	4	4

d. The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on September 30, 2022.



## e. Performance evaluation criteria for the Independent Directors:

The indicative criteria for evaluation of performance of the Independent Director that are provided in their terms of appointment are as under:

- I. Attendance and contribution at Board and Committee meetings.
- II. Appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- III. Knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance.
- IV. Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- V. Effective decision making ability.
- VI. Ability to open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.
- VII. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- VIII. His/her ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- IX. His/her contribution to enhance overall brand image of the Company.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. The Company has a Stakeholders Relationship Committee (SRC) of Directors to look into the Redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

The Stakeholders' Relationship Committee also reviews:

- I. Measures taken for effective exercise of voting rights by shareholders;
- II. Service standards adopted by the Company in respect of services rendered by our Registrar & Transfer Agent;
- III. Measures rendered and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend/annual report/notices and other information by shareholders.

## b. CONSTITUTION AND COMPOSITION OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE

Name of the Director	Status	Nature of Directorship
Brijmohan Venkata Mandala	Chairman	Independent, Non-Executive
Srinivasa Vijay Kumar Appana	Member	Independent, Non-Executive
Krishna Reddy Chintam	Member	Managing Director, Executive

## c. Details of Committee meetings held during the year

Name of the Member	Held during tenure	Attended
Brijmohan Venkata Mandala	4	4
Srinivasa Vijay Kumar Appana	4	4
Krishna Reddy Chintam	4	4





**d. Name, designation and address of the Compliance Officer:**

Name: Mr. Rahul Jain

Address: Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033

Contact Details: Tel: 040-44333030;

Fax: 040-23552358

E-mail ID: compliance@kelltontech.com

**e. During the year the Company had not received any complaint from the investors.**

## 6. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee (RMC) of Directors for primarily identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. Apart from this the RMC also responsible for the Role as Specified in the Schedule II Part D and any other provision of the Act applicable over the Company.

S	Description	Received	Resolved	Pending
1	Non receipt of Electronic Credits	0	0	0
0	Non receipt of Annual Reports	0	0	0
3	Non receipt of Dividend Warrants	03	03	0
4	Non receipt of Refund order	0	0	0
5	SEBI	0	0	0
6	Stock Exchanges	0	0	0
<b>Total</b>		<b>03</b>	<b>03</b>	<b>Nil</b>

- i. Formulation of a detailed risk management policy which shall include:
- ii. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- iii. Measures for risk mitigation including systems and processes for internal control of identified risks.
- iv. Business continuity plan.
- v. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- vi. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- vii. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- viii. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- ix. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- x. Carrying out any other function as may be delegated by the Board from time to time.



## a. CONSTITUTION AND COMPOSITION OF THE RISK MANAGEMENT COMMITTEE

Name of the Director	Status	Nature of Directorship
Srinivasa Vijay Kumar Appana	Chairman	Independent, Non-Executive
Brijmohan Venkata Mandala	Member	Independent, Non-Executive
Niranjan Reddy Chintam	Member	Non-Independent, Executive Director

## b. Details of Committee meetings held during the year

Name of the Member	Held during tenure	Attended
Srinivasa Vijay Kumar Appana	2	2
Brijmohan Venkata Mandala	2	2
Krishna Reddy Chintam	2	2

## 7. REMUNERATION OF DIRECTORS:

### a. Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

### b. Details of remuneration to the directors:

(Rs. in Lakhs)

Particulars	Executive Directors			Non-Executive					
	Niranjan Reddy Chintam	Krishna Reddy Chintam	Karanjit Singh	Srinivas Potluri	Independent Directors				
					Srinivasa Vijay Kumar Appana	Brijmohan Venkata Mandala	P. V. V. Srinivasa Rao	Kunda Kalpana	Geeta Goti
Salary	30,00,000	30,00,000	54,71,172	--	--	--	--	--	--
Commission	--	--	--	--	--	--	--	--	--
PF Contribution	--	--	21.600	--	--	--	--	--	--
Sitting fees	--	--	--	--	--	--	--	40,000	25,000
<b>Total</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>54,92,772</b>	--	--	--	--	<b>40,000</b>	<b>25,000</b>

The performance incentive/commission is determined based on certain pre-agreed performance parameters.



## 8. GENERAL BODY MEETINGS

### a. Location and date / time for last three Annual General Meetings were:

Financial Year	Location of the Meeting	Date and Time	Number of Special Resolutions passed	Details of Special Resolutions
2021-22	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	30.09.2022 10:00 A.M.	0	NA
2020-21	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	27.09.2021 11:00 A.M.	02	1. To re-appoint Mr. Niranjana Chintam (DIN:01658591) as Whole-Time Director of the Company 2. To re-appoint Ms. Kunda Kalpana (DIN:07328517) as an Independent Director of the Company
2019-20	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	28.09.2020 11:00A.M.	04	1. To re-appoint Mr. Krishna Chintam as Managing Director of the Company. 2. To re-appoint Mr. Karanjit Singh Chintam as Whole-Time Director of the Company. 3. To re-appoint Mr. P. Srinivasa Rao as an Independent Director of the Company. 4. To issue 80,000 convertible warrants on preferential basis.

During the F.Y 2022-23, the Company did not have any Extra- Ordinary General Meeting also company has not taken any approval of the Shareholder through Postal Ballot.

## 9. MEANS OF COMMUNICATION:

- i. The quarterly, half yearly, and annual results are intimated to the Stock Exchanges on event basis.
- ii. The Company posts all the vital information relating to the Company and its performance / results including the press releases on its web site <http://www.kelltontech.com> for the benefit of the shareholders and public at large.
- iii. Quarterly financial results are published in leading newspapers, viz. The Financial Express in English, and Praja Shakti in vernacular language. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.
- iv. The presentations made to the investors are also uploaded on the website of the company.
- v. SEBI Complaints Redressal System (SCORES):  
SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.



## 10. GENERAL SHAREHOLDER' INFORMATION

Date, Time & Venue of Annual General Meeting	Date- September 30 2023, Time- 10:00 A.M. Venue- The Company is conducting the Annual General Meeting through Video Conference /Other Audio-Visual Mode (VC/OAVM) pursuant to the MCA Circular dated 5th May, 2020 and as such there is no requirement to have a venue for the AGM.	
Financial Year	April 01, 2022 to March 31, 2023.	
Dividend payment date	NA	
Listing on Stock Exchanges	<b>BSE,</b> Phiroze Jeejeebhoy Towers - Dalal Street, Fort, Mumbai - 400 023	<b>National Stock Exchange</b> of India Ltd (NSE) – Exchange Plaza, 5 Floor, BandraKurla Complex, Bandra (East), Mumbai - 400 051
	Stock Code- 519602	Stock Symbol- KELLTONTEC
	Company has paid the applicable Listing fees to both the Stock Exchanges.	
Suspension of shares	None of the securities of the Company were suspended from trading during the year.	
Registrar and Transfer Agents	M/s XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com	
Share Transfer System	The Company's shares are transferable through the depository system. The Company has appointed M/s. XL Softech Systems Limited, Registrars and Share Transfer Agents and also Depository Transfer Agent.  The Company has signed a tripartite agreement with NSDL/CDSL and M/s. XL Softech Systems Limited to facilitate dematerialisation of shares. The Members may contact for the redressal of their grievances to either M/s XL Softech Systems Limited or the Company Secretary of the Company.	
Dematerialisation of Shares and Liquidity	As on March 31, 2023, 9,59,89,699 shares representing 99.43% of shareholding have been dematerialised. The balance 5,41,100 equity shares representing 0.56% were in physical form The Company's shares are compulsorily traded in dematerialized form and are regularly traded on NSE and BSE. The ISIN Number allotted for the Equity shares is INE164B01022.	
Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	As on March 31, 2023, there were no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.	



Commodity price risk or foreign exchange risk and hedging activities;	Not Applicable	
Plant locations/offices;	The Company operates from : Plot No. 270, Udyog Vihar Phase -2, Gurgaon, Haryana- 122016, India and Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033, Telangana.	
Registered Office/ address for correspondence	<b>Investor correspondence may be addressed to:</b> M/s. XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com	<b>For Correspondence to the Company:</b> Kellton Tech Solutions Limited Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 , Telangana Tel No - 040-44333030 Email-id: compliance@kelltontech.com Website: www.kelltontech.com

## a) Distribution of Shareholding as on was as follows -

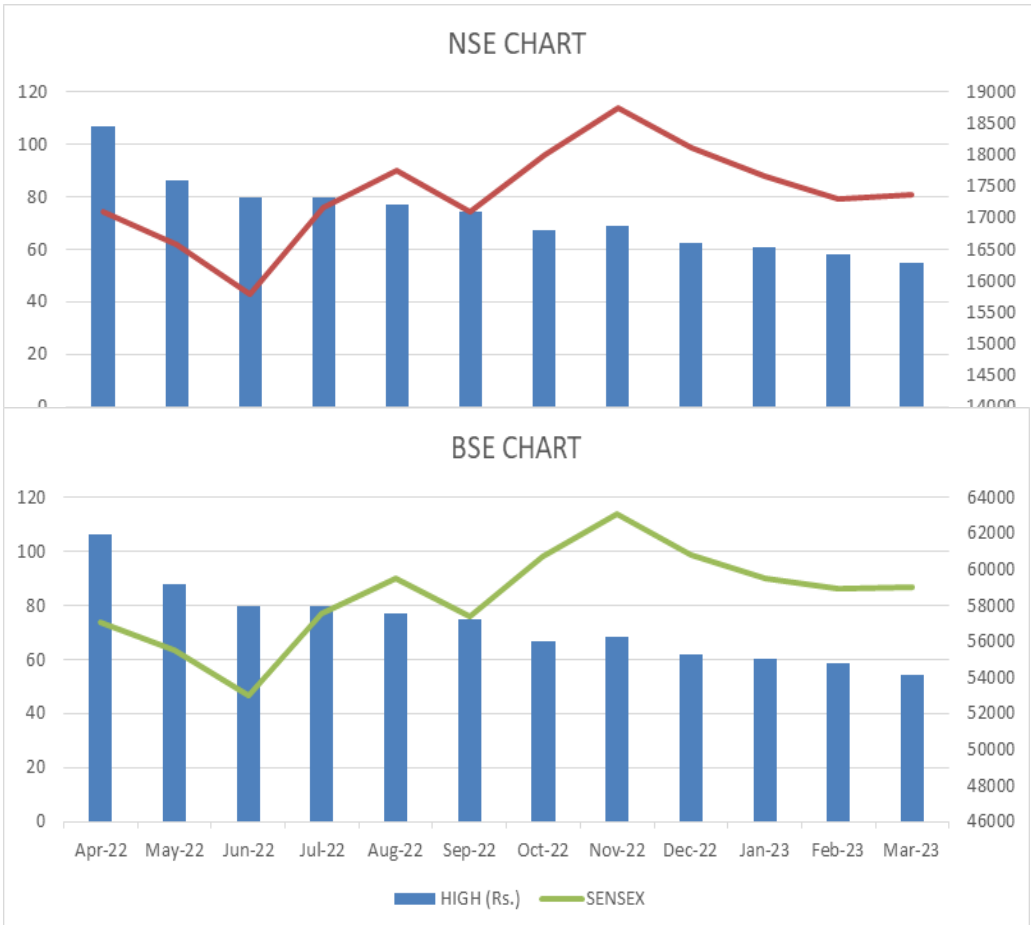
### a) Categories of Shareholding-

Category	No. of shares held	Percentage of shareholding
Promoters	23,94,384	2.48
Promoters Body Corporate	4,79,37,740	49.66
Shares Held by Director and KMP	9,07,167	0.94
Mutual funds / UTI	0	-
Financial Institutions /Banks	0	-
Foreign Portfolio Investor	71,077	0.07
Alternative Investment Funds	-	-
Venture Capital Funds	-	-
Bodies Corporate	4.65.577	0.48
Retail individuals/NRIs/Trusts /others	4.47.54.854	46.36
<b>Total</b>	<b>9.65.30.799</b>	<b>100</b>



## Market price data – High and Low during each month in the financial year 2022 – 23

MONTH	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	HIGH (Rs.)	LOW (Rs.)	SENSEX	HIGH (Rs.)	LOW (Rs.)	NIFTY
April	106.55	84.50	57060.87	106.70	84.60	17102.55
May	87.80	65.05	55566.41	86.30	64.75	16584.55
June	79.60	59.10	53018.94	79.90	59.05	15780.25
July	79.65	69.20	57570.25	79.70	68.90	17158.25
August	77.00	65.25	59537.07	77.00	63.75	17759.30
September	74.65	62.00	57426.92	74.60	62.10	17094.35
October	67.00	59.40	60746.59	67.20	59.35	18012.20
November	68.65	57.00	63099.65	68.70	57.00	18758.35
December	61.95	50.25	60840.74	62.40	50.10	18105.30
January	60.25	54.30	59549.90	60.80	54.05	17662.15
February	58.40	50.10	58962.12	58.20	50.00	17303.95
March	54.45	40.53	58991.52	54.90	41.90	17359.75





## b) Distribution of Shareholding-

Sl. No	Category (Shares)	No. of Holders	% To Holders	Shares Amount	% To Equity
1	1 - 5000	93,383	86.33	5,24,93,795	10.88
2	5001 - 10000	7,576	7.00	2,99,69,920	6.21
3	10001 - 20000	3,793	3.51	2,86,53,495	5.94
4	20001 - 30000	1,286	1.19	1,63,62,115	3.39
5	30001 - 40000	546	0.50	98,35,385	2.04
6	40001 - 50000	415	0.38	97,99,835	2.03
7	50001 - 00000	687	0.64	2,54,69,830	5.28
8	100001 and above	484	0.45	31,00,69,620	64.24
	<b>Total</b>	<b>1,08,170</b>	<b>100.00</b>	<b>48,26,53,995</b>	<b>100.00</b>

## 11. OTHER DISCLOSURES:

### a. Related Party Disclosure

There are no significant related party transactions with the Company's Promoters, Directors, the Management or relatives that may have potential conflict with the interest of the Company at large. Related party transactions have been disclosed in Notes to the Annual Accounts (Refer Note 37). The Company has framed a Policy on Related Party Transactions and the same is available on website of the Company at <http://www.kelltontech.com>.

Sr. No.	In the accounts of	Amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.		
1	Holding Company	<b>Loans and Advances</b>		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Outstanding at the end of the year : Nil	Nil	Nil
2	Subsidiary Company	<b>Loans and Advances</b>		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Nil	Nil	Outstanding at the end of the year : Nil

Further, transactions with related parties are disclosed in the Notes to Accounts and all the transactions with related parties are at arms' length and in compliance with transfer pricing regulations. All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors. In terms of the provisions of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at: <http://www.kellton.com>



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

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI. No other penalty or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

During the financial Year BSE has imposed the Penalty of Rs. 2,12,400, for non-compliance of Regulation 19 of SEBI Listing Regulation 2015, However upon due representation made by the Company for the waiver of the same on the grounds of typographical and technical error, Exchange vide letter dated January 11, 2023 has given complete waiver so imposed.

**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 established a Vigil mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also for appointment of an Ombuds person who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. During the year, no employee was denied access to Chairman of the Audit Committee.

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

As on March 31, 2023, all mandatory requirements of the Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

**e. Web link where policy for determining 'material' subsidiaries is disclosed**

In terms of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website at <https://www.kelltontech.com/investors/company-policies>.

**f. Web link where policy for dealing in related party transactions is disclosed:**

In accordance with the requirements of the Listing Regulations, the Company has adopted a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. The same has been placed on the website of the Company at [www.kellton.com/governance](http://www.kellton.com/governance)

**g. Disclosure of commodity price risks and commodity hedging activities.**

The Company does not involve in hedging activities in commodity markets.





**h. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the current financial year and hence not applicable.

**i. A certificate from a company secretary in practice 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 Company has duly enclosed the certificate received from a company secretary in practice 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. Further the Company has enclosed for perusal as **Annexure- VI(B)**.

**j. Acceptance of recommendations of committees**

The Board had accepted recommendations of various committees of the board which were mandatorily required in the relevant financial year.

**k. Auditor's Remuneration**

The statutory auditor of the Company and all the entities in the network firm/network entity of which the statutory auditor is a part have been paid a total fee of Rs. 2,50,000 for all the services rendered by them during the financial year 2022-23.

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

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year -Nil
- c. number of complaints pending as on the end of financial year –Nil

**m. Web link where Dividend Distribution Policy is disclosed**

The Company has formulated a Dividend Distribution Policy in accordance with the Listing Regulations. The Dividend Distribution Policy can be accessed from the Investor section of the website of the Company at

**n. Compliance to requirements of Corporate Governance report**

The Company has complied with the requirements of the Schedule V, Corporate Governance Report Sub-Para's (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**o. Adoption of discretionary requirements as specified in part e of schedule ii of the listing regulations:**

The Company has not adopted any of the Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The Company has made all the disclosures for compliance with corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 in the section Report on corporate governance of the annual report. Further, the Company has attached Secretarial Auditor certificate as **Annexure-VII(D)**.

## 13. DISCLOSURES:

### a. Compliance with Indian Accounting Standards (IND-AS)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

## 14. MEASURES FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2016, the company framed a Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its directors and designated employees. The code lays down guidelines, which mandates the directors and designated employees on the procedures to be followed and disclosures to be made while dealing with the shares of the company and also appraises the consequences for the violations. Details of the code for prevention of insider trading is available at the company's website viz. <http://www.kellton.com>

## 15. DETAILS OF UNCLAIMED SHARES

The Company is required to open an unclaimed suspense account with a depository participant and transfer all the unclaimed share certificates of members after giving three reminders.

All the voting rights on unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

As on March 31, 2023 your Company has 4,94,050 equity shares in the unclaimed suspense account.

Sr. No	Particulars	Remarks
1.	Total number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2020	351 members and 4,94.050 shares
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	02
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	02
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2021	349 members and 4,92.650 shares

**\*Number of shares in unclaimed suspense account also includes the credit of bonus shares made to the suspense account.**



## 16. DEPOSITORY SERVICES:

**For guidance on depository services, Shareholders may write to the Company or to the respective Depositories:**

### **National Securities Depository Ltd.**

Trade World, 4th Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel,  
Mumbai-400013.  
Tel : 09 1-022-24994200  
Fax:091-022-24972993/24976351  
Email : info@nsdl.co.in

### **Central Depository Services (India) Ltd.**

PhirozeJeejeebhoy Towers,  
17th Floor, Dalal Street,  
Mumbai - 400023.  
Tel : 091-022-22723333  
Fax : 091-022-22723199  
Email: investors@cdslindia.com



### CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
**KELLTON TECH SOLUTIONS LIMITED,**  
Plot No 1367, Road No- 45 Jubilee Hills,  
Hyderabad – 500 033,  
Telangana, India.

I have examined the compliance of conditions of Corporate Governance by KELLTON TECH SOLUTIONS LIMITED (“the Company”) for the year ended March 31, 2023, as stipulated in Regulation 17-27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review 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.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulation 17-27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2023.

I further state that such compliance 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.

**Sd/-**

**N. V. S. S. SURYANARAYANA RAO**

Company Secretary in Practice

Membership Number: 5868

Certificate of Practice Number: 2886

Peer review Certificate No. 1506/2021

UDIN: A005868E000919880

**Place:** Hyderabad

**Date:** 05.09.2023



### CEO & CFO DECLARATION

To  
The Board of Directors  
**Kellton Tech Solutions Limited**

We, Krishna Chintam, Managing Director cum CEO and Niranjana Chintam Whole-time Director cum CFO of Kellton Tech Solutions Limited, to the best of our knowledge and information, and on behalf of the Company certify that:

a. We have reviewed financial statements and the Cash flow Statement for the year ended March 31, 2023, and to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. 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 the Company's code of conduct.

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

d. During the year under reference -

- (i) there were no significant changes in the internal control over financial reporting;
- (ii) no significant changes in accounting policies were made; and
- (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

For and on behalf of the Board of  
**Kellton Tech Solutions Limited**

**Sd/-**  
**Krishna Chintam**  
Managing Director cum CEO  
DIN: 01658145

**Sd/-**  
**Niranjana Chintam**  
Whole-Time Director  
DIN: 01658591

**Place :** Hyderabad  
**Date :** 05.09.2023



## CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

As the Managing Director cum Chief Executive Officer and Whole-Time Director cum Chief Financial Officer of Kellton Tech Solutions Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2022-23

For and on behalf of the Board of  
**Kellton Tech Solutions Limited**

**Sd/-**

**Krishna Chintam**

Managing Director cum CEO

DIN: 01658145

**Sd/-**

**Niranjan Chintam**

Whole-Time Director

DIN: 01658591

**Place :** Hyderabad

**Date :** 05.09.2023

**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

**[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

I have examined the following documents:

- i. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

As submitted by the Directors of **KELLTON TECH SOLUTIONS LIMITED** ('the Company') bearing CIN: L72200TG1993PLC016819 and having its registered office at Plot No 1367, Road No- 45 Jubilee Hills Hyderabad -500 033, Telangana to the Board of Directors of the Company ('the Board') for the Financial Year 2022-23. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

<b>Sr. No</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>
1.	Mr. KRISHNA CHINTAM	01658145
2.	Mr. NIRANJAN CHINTAM	01658591
3.	Mr. KARAN JIT SINGH	06898258
4.	Mr. BRIJMOHAN VENKATA MANDALA	00295323
5.	Mr. SRINIVASA VIJAY KUMAR APPANA	00299638
6.	Mr. SRINIVAS POTLURI	03412700
7.	Mr. SRINIVASA RAO VEERA VENKATA PYDISETTY	06805347
8.	Ms. GEETA GOTI	06866598



This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial Year ended March 31st, 2023.

**Place:** Hyderabad

**Date:** 02.09.2023

**Sd/-**

for **N.V.S.S. Suryanarayana Rao**  
**Company Secretaries**

Membership Number: 5868

Certificate of Practice Number: 2886



### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To  
The Members,  
**KELLTON TECH SOLUTIONS LIMITED**  
Plot No 1367, Road No- 45,  
Jubilee Hills, Hyderabad - 500 033,  
Telangana, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KELLTON TECH SOLUTIONS LIMITED** (hereinafter called the "**Company**") for the financial year ended March 31, 2023 ('Audit Period'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2023 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31 2023**, according to the provisions of:

- (1) The Companies Act, 2013 (the "**Act**") and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The SEBI (Depositories and Participants) Regulations 2018 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of, Foreign Direct Investments, Overseas Direct Investment and External Commercial Borrowings;



(5) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit period)**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit period)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit period) and**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Report)**
- i. The Securities and Exchange Board of India (Listing obligation and Disclosure requirements) Regulations 2015

(6) I further report that, having regard to the representation made the company and its officers, compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the company has complied with the following laws, applicable to the company:

1. Software Technology Parks of India Rules and Regulations
2. Information Technology Act, 2000 and the rules made thereunder
3. Intellectual Property Laws - The Indian Copyright Act, 1957; The Trade Marks Act, 1999; The Patents Act, 1970; Designs Act, 2000.
4. The Export and Import Policy of India
5. Foreign Trade Act, 1992
6. Customs and Excise Act 1996

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

- (i) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to below mentioned observations



***1. The company has filed the Form MGT-15 vide SRN. F63392997 dated 23-08-2023 with respect to Report on Annual General Meeting with Registrar of Companies with a delay of 297 days. However, the same has been filed with additional fee and same has been taken on record by Registrar of Companies, Telangana.***

## **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all 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.

All the decisions are carried out unanimously and are captured and recorded as part of the minutes.

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

We further report that during the period under audit, the following specific events/actions, having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:

- a. During the Audit period, Credit rating agency has revised credit rating from Stable (IND BBB+) to Negative (BBB+(Negative)).
- b. During the Audit Period, Company allotted 34,999 equity shares under Employee Stock Option Plan 2021 to its employees and officers of the Company and necessary compliances of the Act was made.
- c. During the Audit period, Ms. Kunda Kalpana (DIN: 07328517) Independent Director of the company had submitted her resignation on 06-July-2022.
- d. During the Audit Period Mrs. Geeta Goti (Din: 06866598) was appointed as Additional Non-Executive Independent Women Director of the Company with effect from 06-Sep-2022 for a period of 5 (five) years till 05-Sep-2027 pursuant to approval of shareholders of the Company at the 28th Annual General Meeting held on 30-Sep-2022.
- e. During the Audit Period, Ms. Surbhi Jain, Company Secretary and Compliance Officer, (M.No. 49557) had submitted her resignation on 24-May-2022 with effect from 30-May-2022 and the necessary compliances were made.



- f. During the Audit Period, Mr. Rahul Jain (M.No. 62949) was appointed as a Company Secretary and Compliance Officer with effect from 27-Jul-2022, and the necessary compliances were made.
- g. Post the Audit Period and before the issuance of this Report, the Company had incorporated a wholly owned subsidiary, Kellton LLC- FZ, at Meydone Free Zone, Dubai.

**Sd/-**

for **N.V.S.S. Suryanarayana Rao**

Practicing Company Secretary

ACS Membership Number: 5868

Certificate of Practice Number: 2886

UDIN: A005868D000764307

**Place :** Hyderabad

**Date :** 02.09.2022

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



To,  
The Members,  
**KELLTON TECH SOLUTIONS LIMITED,**  
Plot No 1367, Road No- 45, Jubilee Hills,  
Hyderabad- 500033,  
Telangana.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I 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 management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Sd/-**

for **N.V.S.S. Suryanarayana Rao**  
Practicing Company Secretary

ACS Membership Number: 5868  
Certificate of Practice Number: 2886  
UDIN: A005868D000764307

**Place :** Hyderabad  
**Date :** 02.09.2022



### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

#### **SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

##### **I. Details of the listed entity**

1	Corporate Identity Number (CIN) of the Company	L72200TG1993PLC016819
2	Name of the Company	Kellton Tech Solutions Limited
3	Year of Incorporation	1993
4	Registered address	Plot No 1367, Road No- 45, Jubilee Hills, Hyderabad – 500033, Telangana
5	Corporate Address	Plot No 1367, Road No- 45, Jubilee Hills, Hyderabad – 500033, Telangana
6	E-mail id	compliance@kelltontech.com
7	Telephone	040 4433 3000
8	Website	<a href="https://www.kelltontech.com/">https://www.kelltontech.com/</a>
9	Financial Year reported	01 April, 2022 to 31 March, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid Up Capital	Rs. 48,26,53,995
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Rahul Jain Mob: 8103808311 (Company Secretary and Compliance Officer) Email: compliance@kelltontech.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14	Sector(s) that the Company is engaged in (industrial activity code-wise)	Information Technology and Computer Services activities
15	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> <li>• Information Technology services and solutions</li> <li>• Platform IP</li> <li>• Technology Infrastructure and Services</li> </ul>
16	Total number of locations where business activity is undertaken by the Company – (a) Number of international locations- (b) Number of national locations: The Company is undertaking business activities across India and locations are given at page no .	USA (6 Locations), United Kingdom, Ireland, Poland, Singapore India (3 Locations),
17	Markets served by the Company – Local/ State/National/International	National and International



## II. Products/services

### 18. Details of business activities (accounting for 90% of the turnover):

S no.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Information and Communication	Computer programming, Consultancy and related activities	100.00%

### 19. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S no.	Product/Service	NIC Code	% of total Turnover
1.	Design and development services of software applications including customised and packaged software	99831413	100.00%

## III. Operations

### 20. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Stores	Number of offices	Total
National	0	3	3
International	0	10	10

### 21. Markets served by the entity:

Locations	Number
National (No. of States)	28
International (No. of Countries)	22

### b. What is the contribution of exports as a percentage of the total turnover of the entity?

51%

**c. A brief on types of customers:** Over the years, Kellton has grown into a full-service IT solutions provider with a global presence. Kellton has grown through a combination of organic growth and strategic acquisitions. We now have offices in the United States, Europe, and Asia, and it serves clients in a wide range of industries, including healthcare, finance, retail, and manufacturing.

We started out small, just like everyone else and have been led by our ambitious founders throughout this incredible journey. Our Clients includes Fintech, Banking, Financial Services & Insurance Non-Profit, Government & Education Manufacturing, Automotive & Chemicals Retail, E-Commerce & Distribution Travel, Logistics & Hospitality Oil, Gas & Mining Pharma, Healthcare & Life Sciences HiTech, SaaS, ISV & Communications Energy & Utilities



## IV. Employees

### 22. Details at the end of Financial Year

#### a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	(B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
<b>EMPLOYEES</b>								
1	Permanent (D)	1144	908	79.37	236	20.63	0	0.00
2	Other than permanent (E)	61	50	81.97	11	18.03	0	0.00
3	<b>Total employees (D + E)</b>	<b>1205</b>	<b>958</b>	<b>79.50</b>	<b>247</b>	<b>20.50</b>	<b>0</b>	<b>0.00</b>
<b>WORKERS</b>								
4	Permanent (F)	0	0	0.00	0	0.00	0	0.00
5	Other than permanent (G)	0	0	0.00	0	0.00	0	0.00
6	<b>Total workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	(B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>								
1	Permanent (D)	1	1	100.00	0	0.00	0	0.00
2	Other than Permanent (E)	0	0	0.00	0	0.00	0	0.00
3	<b>Total employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>DIFFERENTLY ABLED WORKERS</b>								
4	Permanent (F)	0	0	0.00	0	0.00	0	0.00
5	Other than Permanent (G)	0	0	0.00	0	0.00	0	0.00
6	<b>Total workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

### 23. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	3	0	0.00%





## 24. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23				FY 2021-22				FY 2020-21			
	M	F	O	T	M	F	O	T	M	F	O	T
Permanent Employees	18.43%	15.27%	-	17.78%	17.94%	16.13%	-	17.49%	18.56%	19.34%	0	18.07%
Permanent Workers	0	0	0	0	0	0	0	0	0	0	0	0

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 25. Names of holding/ subsidiary/ associate companies/ joint ventures (as at March 31, 2023)

Sno.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	KELLTON DBYDX SOFTWARE Pvt Ltd	Subsidiary company	100.00%	No
2.	Kellton Tech Inc	Subsidiary company	100.00%	No
3.	Kellton Tech Solutions Inc	Subsidiary company	100.00%	No

## VI. CSR Details

### 26. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (In Rs. Lakhs): 17085.4031

(iii) Net worth (in Rs. Lakhs): 15080.332,

### VII. Transparency and Disclosures Compliances

27. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No If yes provide link for grievance redress policy	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks



Communities	Yes <a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>	0	Nil	NA	0	0	NA
Investors (other than Shareholders)	Yes <a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>	0	Nil	NA	0	0	NA
Shareholders	Yes <a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>	2	Nil	complaints were regarding non receipt of dividend and same were resolved	5	0	complaints were regarding non receipt of dividend and same were resolved
Employees	Yes <a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>	0	0	NA	0	0	NA
Customer	Yes <a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>	0	0	NA	0	0	NA
Value Chain Partners	No	0	0	NA	0	0	NA

**28. Overview of the entity's material responsible business conduct issues**

**Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:**

SL No	Material Issue Identified Customer Satisfaction	Indicate whether Risk or Opportunity Risk and opportunity	Rationale for identifying risk or opportunity The identification of risks is important because if quality and timeliness are not maintained and customer-centric issues are not resolved, it will negatively impact customer satisfaction, which in turn will have a direct negative impact on the business  Rationale for identifying opportunity Identifying opportunities is crucial because when customers are satisfied with the services, it can result in repeat business, customer retention, and the expansion of the customer base. This highlights the significance of establishing strong customer relationships and consistently providing exceptional experiences that meet or surpass customer expectations.	In case of risk approach to adapt or mitigate  The company implemented has proactive measurement mechanisms, including the establishment of a customer feedback cell, to assess customer satisfaction levels and gather feedback from multiple angles. This includes evaluating customer satisfaction with ongoing work, tracking account growth, and assessing the effectiveness of the company's innovative and cost-effective solutions.	Financial  Positive: Risk mitigation approach Customer Satisfaction: The Company's profitability is greatly influenced by customer satisfaction and loyalty, which have a substantial positive impact. Enhancing customer satisfaction can also result in improved business prospects and foster growth opportunities.  Negative: The loss of trust in Company's ability to deliver the promised quality services can result in missed business opportunities. Additionally, any breach of privacy and data security can have severe consequences.
	Data Security	Risk	Data security is of utmost importance The Company has established in risk management strategy, given policies concerning the potential risks and negative information technology/ consequences associated with the cyber security risks that define loss, theft, or unauthorized access limits, mitigation strategies to sensitive data. These risks include and internal controls. financial losses, damage to reputation, legal liabilities, and loss of customer trust.	The Company has established policies concerning cyber security risks that define limits, mitigation strategies, and internal controls.  information technology	Negative Implications  The erosion of customer trust in ability to deliver, the promised quality services can result in missed business prospects and opportunities.

Talent retention and acquisition	Risk and opportunity	<p>Rationale for identifying risk</p> <ol style="list-style-type: none"> <li>1. High turnover rates: Losing skilled employees leads to increased recruitment and training expenses, reduced productivity, disruptions in team dynamics, and</li> <li>2 Skills gap: Difficulty in finding These include offering qualified professionals creates a competitive compensation skills gap that hinders achieving and benefits packages, business objectives and strategic goals.</li> <li>3. Competitive disadvantage: Inability a positive work culture. to retain or attract top talent puts the organisation at a competitive to monitor employee disadvantage, allowing competitors to gain an advantage</li> <li>4. Succession planning: Retaining or attracting top talent impacts succession planning by posing challenges in identifying and developing future leaders, affecting long-term organisational success.</li> </ol> <p>Rationale for identifying opportunity-</p> <ol style="list-style-type: none"> <li>1. Talented and motivated workforce crucial for organisational objectives and competitive edge</li> <li>2. Retaining and attracting top talent: <ul style="list-style-type: none"> <li>- Enhances productivity</li> <li>- Drives innovation</li> <li>- Increases customer satisfaction</li> </ul> </li> <li>3. Reduces costs related to turnover and recruitment</li> </ol>	<p>Risk mitigation approach:</p> <p>The risk mitigation strategy for this challenge entails the implementation of impactful talent management strategies.</p> <p>providing avenues professional growth and development, cultivating and utilizing data analytics engagement and satisfaction.</p>	<p>Positive:</p> <p>Retaining exceptional talent can effectively lower turnover costs and extend employee tenure, resulting in heightened efficiency and profitability.</p> <p>Acquiring and retaining top talent can also elevate productivity, as skilled and for engaged employees tend to demonstrate greater effectiveness in their roles. This, in turn, enhances the quality of customer service and contributes to higher levels of customer satisfaction, fostering increased loyalty and repeat business.</p> <p>Negative:</p> <p>Neglecting to address this risk results in adverse financial consequences, including elevated expenses related to recruiting, training, and onboarding new employees, diminished productivity, reduced morale among existing staff, and potential harm to the reputation as company's a desirable employer.</p>
----------------------------------	----------------------	---	---	---

	Community Development	Opportunity	<p>Community development empowers individuals, fosters connections, and builds stronger communities. It promotes social cohesion, creates supportive environments, and enhances quality of life. Additionally, community development drives economic growth by supporting local businesses and creating jobs. It also addresses social issues, promotes social justice, and improves the well-being of marginalized communities through increased access to essential services. This helps the company to create a positive image which attracts more clients.</p>	-	<p>Positive: Supporting CSR activities creates a positive impact on the communities we engage with, addressing needs, promoting sustainability, and enhancing stakeholder relationships.</p>
Human rights and grievances	Risk and Opportunity	<p>Rationale for identifying as Risk: Neglecting human rights throughout functions and the value chain can cause reputational harm and erode trust from stakeholders, including the community, customers, investors, and shareholders. Rationale for identifying it as opportunity: Incorporating human rights into policies and processes fosters community connections, ethical practices, and elevated societal standards. This enhances branding, reputation, and attracts investor recognition for a high human rights quotient.</p>	<p>Risk Mitigation approach Raising awareness within the organisation and throughout the value chain about human rights requirements, along with focused training initiatives, helps mitigate risks. Establishing a well-defined policy and process for handling grievances and ensuring that relevant stakeholders are aware of this mechanism, builds trust by demonstrating that issues will be acknowledged and resolved.</p>	<p>Positive: Integrating a focus on human rights and a robust grievance handling mechanism into operational policies and procedures will attract investors, employees, and customers. This increased awareness and commitment contribute to business growth and a strong market share.  Negative: Ignoring human rights and grievances can lead to reputational damage, legal consequences, employee dissatisfaction and turnover, stakeholder disengagement, supply chain disruptions, and increased operational risks for Company.</p>	



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>c. Web Link of the Policies, if available</b>	<a href="https://www.kellton.com/">https://www.kellton.com/</a>								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trust) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b>	None								
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any</b>	The Company is determined to follow the path envisioned under the 9 principles laid down in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs.								
<b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	The Company shall continue to monitor its performance against the said principle(s) and take necessary action as and when the need arises.								
<b>Governance, leadership and oversight</b>									
<b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):</b>									
<p>The purpose of our business is to dedicatedly serve to ensure stakeholder delight and influence the environment and society at large with our good work, as we abide by our values that form the cornerstone of our business strategies, decisions, and activities. We are committed to this roadmap as we seek to grow sustainably and deliver Information Technology services to frontier markers with excellence, again and again, with a lot more rigor and enthusiasm as the days pass.</p>									



<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Mr. Niranjan Chintam (DIN: 01658591), Chairman Telephone: +91 40 23555300 Email: compliance@kellontech.com
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	Yes, Committee consists of Managing Director as Chairman along with other functional heads.

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Di-rec-tor	Quarterly								
<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9	N	N	N	N	N	N	N	N	N

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

NA



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.**

**Essential Indicators:**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Anti Bribery and Anti Corruption Policy	100%
Key Managerial Personnel	1	Anti Bribery and Anti Corruption Policy	100%
Employees other than BoD and KMPs	4	Anti Bribery and Anti Corruption Policy POSH Act Grievance Redressal Mechanism Importance of Stakeholders	100%
Workers		Not Applicable	

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**





## A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount ( In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	NA	NA	0	NA	NA
Settlement	NA	NA	0	NA	NA
Compounding Fee	NA	NA	0	NA	NA

## B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount ( In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Imprisonment	NA	NA	0	NA	NA
Punishment	NA	NA	0	NA	NA

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
Not Applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy.**

Yes, Company have an anti – corruption and anti-bribery policy, Company recognises and follows all applicable laws and regulations and respects lawful customs of the regions where we operate and transact. We are committed to acting and building relationships based on integrity and fairness in all our dealings. Hence, Kellton has adopted a “Zero Tolerance” approach to bribery and corruption. The policy is available on the website of the company at <https://www.kellton.com/legal-policies>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY2023	FY2022
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0



## 6. Details of complaints with regard to conflict of interest

	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.: Not Applicable

## **Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe** **Essential Indicators:**

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	0	0	-

## 2. Sustainable Sourcing

- Does the entity have procedures in place for sustainable sourcing? - No
- If yes, what percentage of inputs were sourced sustainably? - NA

## 3. Processes in place to reclaim products for reuse, recycle, and safe disposal of products at the end of life for

- Plastics (Including Packaging): NA
- E-Waste: NA
- Hazardous waste: NA
- other waste: NA



This metric is not relevant to our Company as our main business is related to Information Technology, and it does not involve the manufacturing of any product.

#### 4. Extended Producer Responsibility (EPR)

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Not Applicable,

### **Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.**

#### 1. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Num-ber (B)	% (B/A)	Num-ber (C)	% (C/A)	Num-ber (D)	% (D/A)	Num-ber (E)	% (E/A)	Num-ber (F)	% (F/A)
<b>Permanent Employees</b>											
Male	908	713	78.52	896	98.68	0	0.00	39	4.30	0	0.00
Female	236	182	77.12	232	98.31	7	3.00	0	0.00	0	0.00
Total	1144	895	78.23	1128	98.60	7	3.00	39	4.30	0	0.00
<b>Other than permanent employees</b>											
Male	50	0	0.0	0	0	0	0	0	0	0	0
Female	11	1	9.09	1	0	0	0	0	0	0	0
Total	61	1	1.64	1	0	0	0	0	0	0	0

#### 2. Details of measures for the well-being of Workers- NA

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Num-ber (B)	% (B/A)	Num-ber (C)	% (C/A)	Num-ber (D)	% (D/A)	Num-ber (E)	% (E/A)	Num-ber (F)	% (F/A)
<b>Permanent workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	908	0	0	0	0	0	0	0	0	0	0



Other than permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

### 3. Details of retirement benefits, for current FY and previous financial year

Benefits	Number of employees covered as % of total employees	Number of Workers covered as % of total workers	Deducted and deposited with the authority ( Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total workers	Deducted and deposited with the authority ( Y/N/N.A)
PF	95.10%	0	Yes	96.02%	0	Yes
Gratuity	100%	0	Yes	100%	0	Yes
ESI	0.00%	0	NA	0%	0	NA
Others – specify		-	-	-	-	-

### 4. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, our offices are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. We conduct sensitization and awareness programs for our managers and senior leaders to facilitate the inclusion of such employees within our organization and cater to their specific requirements, such as accessibility and accommodation

### 5. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, a web-link to the policy.

Yes, the policy is available on the website of the company at <https://www.kellton.com/legal-policies>

### 6. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	39	100	0	0
Female	7	100	0	0
Total	46	100	0	0



**7. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (if yes then give details of the mechanism in brief) :
Permanent Workers	Yes, The Company has a Grievance Redressal policy, which address all kinds of issues an employee may face while at work. The grievance may include: <ul style="list-style-type: none"> <li>• Any kind of discrimination on account of disability, gender, race, sexual orientation, religion, marital status and social class</li> <li>• Violation of human rights</li> <li>• Bullying / workplace harassment</li> <li>• Denial of applicable benefits</li> <li>• Working conditions</li> </ul> No
Other than Permanent Workers	
Permanent Employees	
Other than permanent Employees	

**8. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY2023			FY2022		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s) (B)	% (B/A)	Total employees /workers in respective category (C)	Total employees/ workers in respective category, who are part of association (s) or Union (s) (D)	%( D/C)
<b>Total Permanent Employees</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

**9. Details of Training imparted to the employees and workers**

Category	FY2023				FY2022			
	Total (A)				Total (D)			
		NO.(B)	% (B/A)	No. (C)		% (C/A)	No. (E)	% (E/D)



<b>Employees</b>										
Male	908	908	100.00	354	38.99	856	856	100	380	44.4
Female	236	236	100.00	97	41.10	246	246	100	110	44.7
Total	1144	1144	100.00	451	39.42	1102	1102	100	490	55.7
<b>Workers</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0

## 10. Details of performance and career development reviews of employees and workers:

Category	FY2023			FY2022		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	908	908	100	856	856	100
Female	236	236	100	246	246	100
Total	1144	1144	100	1102	1102	100
<b>Workers</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0

## 11. Health and safety management system

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).- If yes, the coverage such system?

Yes, Company has implemented the Health and Safety Policy which covers all the employees of the Company.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Appropriate policies / guidelines have been formulated to address various types of hazards and related risk assessment & mitigation.

- All work-related hazards are identified basis the recommended guidelines.
- Their associated risk assessment procedures are part of the Safety manual.



c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)-Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)-Yes

**12. Details of safety related incidents, in the following format:**

Safety Incident / Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0	0
	Workers	0	0
No of fatalities	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**13. Measures taken by the entity to ensure a safe and healthy work place.**

Employee well-being programs/initiatives are conducted for all the employees and during FY 2022-23 the following well-being initiatives were undertaken:

- Women safety programs
- Posh & gender sensitization meetings
- Road safety programs
- Women self-defense program
- Fire emergency training exit
- General health check up

**14. Number of Complaints on the following made by employees and workers:**

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	5	0	NA	10	0	NA
Health & Safety	0	0	NA	0	0	NA

**15. Assessments for the year:**

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%



**16. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The Company has implemented Hygiene Policy which ensures workplace cleanliness and basic amenities like availability of clean drinking water, proper sanitation facilities, etc.

The HR team conducts review on a quarterly basis to ensure all the points under the hygiene policy are taken care of.

Further, Training of all employees regarding protocol to be followed in case of any safety incident has been conducted.

**Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators:**

**1. Process for identification of key stakeholders**

Kellton has identified its key internal and external stakeholders through a deliberate and comprehensive process, involving both the board and management team. This process involved assessing various stakeholder groups and evaluating their potential impact on the company. The importance of each group was carefully considered through a series of deliberations, taking into account factors such as their influence and potential impact.

To ensure the long-term success of the company and build strong relationships with stakeholders, continuous engagement and monitoring is critical. By doing so, Kellton was able to better identify and meet the needs and expectations of its key stakeholders and adapt to changing circumstances. This approach helps Kellton to maintain a strong reputation and build trust with its stakeholders, while also positioning the company for long-term growth and success.

**2. Key stakeholder groups**

	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Customers	No	<ul style="list-style-type: none"> <li>- satisfaction surveys</li> <li>- Marketing and advertising</li> <li>- Complaint handling and feedback</li> <li>- Electronic communication – social media, Calls</li> </ul>	It is a continuous process	Addressing requirements for products and grievances, if any





Suppliers/ CDMOs	No	<ul style="list-style-type: none"> <li>- Regular interaction through online and offline meetings, phone calls, e-mails</li> <li>- Conferences and workshops</li> <li>- In Person Meetings/ Visits.</li> </ul>	Daily	To share the specific requirements, Status update on product deliveries and other terms of trade.
Employees	No	<ul style="list-style-type: none"> <li>- Trainings and development programmes</li> <li>- Performance management system</li> <li>- Emails. Written communication</li> <li>- circulars and internal publications</li> <li>- Employee engagement initiatives</li> </ul>	Daily/ Weekly	For smooth functioning of business operations.
Investors	No	<ul style="list-style-type: none"> <li>No-Annual General meeting</li> <li>- Investor presentations and conference calls</li> <li>- Investor conferences and meets</li> <li>- Press releases, Quarterly Results and newsletters</li> </ul>	Quarterly/ Annually/ Need basis	To provide updates on company's operations and Financial Performance
Government/ Regulators	No	<ul style="list-style-type: none"> <li>- Meetings and formal dialogue</li> <li>- Filings with the regulators</li> </ul>	Others – Need basis	Business and Compliance related
Community	Yes	<ul style="list-style-type: none"> <li>-CSR partnerships - Contribution towards various causes</li> </ul>	Others – Need basis	CSR Initiatives of the Company



## Principle 5. Businesses should respect and promote human rights

### Essential Indicators

#### 1. Training on human rights issues and policies

Category	FY2023			FY2022		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1144	1144	100%	1102	1102	100%
Other than Permanent	61	61	100%	66	66	100%
Total Employees	1205	1205	100%	1168	1168	100%
<b>Workers</b>						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	0	0	0	0	0	0

#### 2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No. (E)	%(E/D)	No.(F)	% F/D)
<b>Employees</b>										
Perma- nent										
Male	908	0	0	908	100	856	0	0	856	100%
Female	236	0	0	236	100	246	0	0	246	100%
<b>Other than Perma- nent</b>										
Male	50	0	0	50	0	23	0	0	23	100%
Female	11	0	0	11	0	42	0	0	42	100%



<b>Workers</b>										
Perma- nent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Other than Perma- nent</b>	0									
		0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

### 3. Details of remuneration/salary/wages, in the following format:

	<b>Male</b>		<b>Female</b>	
	Number	Median remuneration/sal- ary/wages of respective category (Amt. in Rs. Lakhs)	Number	Median remuneration/sal- ary/wages of respective category (Amt. in Lakhs)
<b>Board of Direc- tors</b>	7	30	1	0.25
<b>Key Managerial Personal</b>	1	4.64	0	0
<b>Employees other than above</b>	908	10.21	236	7.47
<b>Workers</b>	0	0	0	0

\*Note: Remuneration includes sitting fee paid to directors.

4. Focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) **Yes**

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Kellton, an effective grievance redressal procedure has been established to ensure that compliance guidelines and human rights concerns are upheld throughout the company. Additionally, we have a successful whistle blower procedure that enables our employees, including subsidiaries, to contact the Ombudsperson and make confidential disclosures regarding unethical behaviour and actual or suspected fraud. Also, there is an internal complaints committee, as mandated by law. There is a whistle blower hotline outside of Kellton that is anonymous, confidential, and accessible.



## 6. Number of Complaints on the following made by employees and workers:

Category	FY2023			FY2022		
	Filed	Pending at the end of the year	Remarks	Filed	Pending at the end of the year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human right related issues	0	0	NA	0	0	NA

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes, Company has mechanisms in place to prevent adverse consequences to the complainant in discrimination and harassment cases. The details of the complainant are kept confidential, and the authenticity of the complainant's report is investigated by the assigned committee. The details regarding the investigation are also limited to the internal resolution committee and kept confidential. The complainant is protected from any discrimination and harassment till the issue is resolved. This is done in order to safeguard the complainant's interest and confidence.

## 8. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements are part of our business and contracts. We expect of our vendors that they uphold and advocate the protection of the internationally recognized principles of human rights and that they refrain from engaging in violations of those principles.

## 9. Assessments of the year

Category	% of plants and offices that were assessed by the entity or by the statutory authorities or third parties
Child Labour	<b>100%</b>
Forced/Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	NA

10. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable



**Principle 6. Businesses should respect and make efforts to protect and restore the environment.**

**Essential Indicators:**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY23 (In Giga Joules)	FY22 (In Giga Joules)
Total electricity consumption (A)	4464.67	1263.62
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	4464.67	1263.62
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.26	0.11
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No

**2. Doesites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)-No**

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY23	FY22
Water Withdrawal by Source ( In Kiloliters )		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Zero Liquid Discharge is not applicable to the Company.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format**



Parameter	Please specify unit	FY23	FY22
NOx		0	0
Sox		0	0
Particulate Mater		0	0
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others – please specify		0	0

The Company is not into manufacturing and therefore the possibility of releasing emissions into the atmosphere is negligible/not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

## 6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY23	FY22
Total Scope 1 emissions		0	0
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) Metric tonnes of CO2 equivalent	Metric tonnes of CO2 equivalent	0	0
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover		0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		0	0

**The Company is not into manufacturing and therefore the possibility of releasing greenhouse gas emissions into the atmosphere is negligible/not applicable.**

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No**

## 7. Project related to reducing Green House Gas emission? If yes, details.

No, the Company does not have any project related to reducing greenhouse gas emissions.

## 8. Details of waste generated, re-cycled re-used and disposed off

Parameter	Unit	FY23
Plastic waste ( A)	Nil	0
E-waste ( B)	Nil	0



Bio-medical waste ( C)	Nil	0
Construction and demolition waste (D)	Nil	0
Battery waste (E)	Nil	0
Radioactive waste (F)	Nil	0
Other Hazardous waste (G)	Nil	0
Other Non-hazardous waste generated (H)		
(Break-up by composition i.e by materials relevant to the sector	Nil	0
<b>Total ( A+B+C+D+E+F+Gg+H)</b>	Nil	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i.Re-cycled	Nil	0
ii.Re-used	Nil	0
iii.Other recovery operations	Nil	0
<b>Total</b>	Nil	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
<b>Category of Waste</b>		
i.Incineration	Nil	0
ii.Landfilling	Nil	0
iii.Other disposal operations	Nil	0
<b>Total</b>	Nil	0

The nature of business of the Company is International Wholesale Distribution where Company does not have any manufacturing facility or produce anything inhouse and hence, this clause is not applicable to us.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No**

**9. Details of waste management practices, strategy adopted by the company to reduce usage of hazardous and toxic chemicals in our products and processes and the practices adopted to manage such wastes.**

As an International Wholesale Distribution Company, we do not manufacture any products and thus does not use any hazardous or toxic chemicals.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**



Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable

## 11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

During the reporting period, Company has not conducted any environment impact assessment. Company ensures compliance to local and national applicable laws wherever required.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not Applicable					

## 12. Compliance with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, Company ensures compliance to applicable laws.

If not, details of all such non-compliances, in the following format

SL No	Law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

## Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations: 2

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body ) the entity is a member of /affiliated to -





SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations ( State/National )
1	National Association of Software and Service Companies (NASSCOM)	National
2	TIE, the indus entrepreneurs	National

**2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.**

Name of authority	Brief of the case	Corrective actions taken
Nil		

**Principle 8. Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency ( Yes/No)	Results communicated in public domain ( Yes/ No) Not Applicable	Relevant weblink
Not Applicable					

**2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity**

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY23
Not Applicable						

**3. Mechanisms to receive and redress grievances of the community:**

We have a grievance redressal mechanism which covers all our stakeholders. Active engagement with the community and stakeholders requires an effective grievance redressal system that includes feedback loops and conflict resolution mechanisms. Stakeholders can share their feedback/ concern on [compliance@kelltontech.com](mailto:compliance@kelltontech.com)

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers**



Particulars	FY23	FY22
Directly sourced from MSMEs/small producers	0	0
Sourced directly from within the district and neighbouring districts	0	0

**Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanism in place to receive and respond to consumer complaints and feedback:**

Consumers can directly contact the Company through email or phone and further our representative visits all the clients regularly for their feedback and issues, if any. Further we have a dedicated microsite for customers to provide feedback and lodge complaints.

**2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about-**

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following**

Particulars	FY2023		Remarks	FY2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA



#### **4 Details of instances of product recalls on account of safety issues:**

<b>Particulars</b>	<b>Number</b>	<b>Reasons for recall</b>
Voluntary recalls	0	N.A
Forced recalls	0	N.A

#### **5. Details of instances of product recalls on account of safety issues:**

This metric is not relevant to Company as our main business is providing Information Technology services, and it does not involve the manufacturing of any product which would carry the information.

**6. Framework/ policy on cyber security and risks related to data privacy? (Yes/No)** If available, web-link of the policy.: Yes, the policy is available at <https://www.kellton.com/legal-policies>.

**7. Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.:**  
None

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY

#### THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2023

#### Pursuant to Section 135 of Companies Act, 2013 and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1	Brief outline on CSR Policy of the Company.	The Company has its CSR Policy within the broad scope laid down in Schedule VII to the Act, as projects/programmes/activities, excluding activities in its normal course of business.																
2	Composition of the CSR Committee																	
	<table border="1"> <thead> <tr> <th data-bbox="396 700 749 773">Name of Director</th> <th data-bbox="749 700 926 773">Nature of Directorship / Designation</th> <th data-bbox="926 700 1064 773">Number of Meetings Held</th> <th data-bbox="1064 700 1164 773">Number of Meetings Attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="396 773 749 846">Mr. Srinivasa Vijaya Kumar Appana</td> <td data-bbox="749 773 926 846">Independent Director, Chairperson</td> <td data-bbox="926 773 1064 846">02</td> <td data-bbox="1064 773 1164 846">02</td> </tr> <tr> <td data-bbox="396 846 749 919">Mr. Brijmohan Venkata Mandala</td> <td data-bbox="749 846 926 919">Independent Director, Member</td> <td data-bbox="926 846 1064 919">02</td> <td data-bbox="1064 846 1164 919">02</td> </tr> <tr> <td data-bbox="396 919 749 982">Mr. Krishna Reddy Chintam</td> <td data-bbox="749 919 926 982">Executive Director, Member</td> <td data-bbox="926 919 1064 982">02</td> <td data-bbox="1064 919 1164 982">02</td> </tr> </tbody> </table>	Name of Director	Nature of Directorship / Designation	Number of Meetings Held	Number of Meetings Attended	Mr. Srinivasa Vijaya Kumar Appana	Independent Director, Chairperson	02	02	Mr. Brijmohan Venkata Mandala	Independent Director, Member	02	02	Mr. Krishna Reddy Chintam	Executive Director, Member	02	02	
Name of Director	Nature of Directorship / Designation	Number of Meetings Held	Number of Meetings Attended															
Mr. Srinivasa Vijaya Kumar Appana	Independent Director, Chairperson	02	02															
Mr. Brijmohan Venkata Mandala	Independent Director, Member	02	02															
Mr. Krishna Reddy Chintam	Executive Director, Member	02	02															
3	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.	<a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>																
4	Provide the details of Impact assessment of CSR projects carried out in pursu-ance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable																
5	Details of CSR meeting held for during the FY 2022-23	May 30, 2022, Feb 14, 2023																
6	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.	<b>1. 2019-20 – Nil</b> <b>2. 2020-21 – Nil</b> <b>3. 2021-22- 1,64,678</b>																
7	Average net profit of the company as per section 135(5).	Rs. 11,06,34,491																



8	a) Two percent of average net profit of the company as per section 135(5)	Rs. 22,12,689
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	c) Amount required to be set off for the financial year, if any	Rs. 1,64,678
	d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 20,48,012

## 9. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
Rs. 23,32,140	Not Applicable.		Not Applicable.		

## b) Details of CSR amount spent against ongoing projects for the financial year:

<b>Name of the Project</b>	Not Applicable
<b>The item from the list of activities in Schedule VII to the Act</b>	
<b>Local area (Yes / No)</b>	
<b>Location of the Project</b>	
<b>Project Duration</b>	
<b>The amount allocated for the project (in `)</b>	
<b>Amount spent in the current financial Year (in `)</b>	
<b>Amount transferred to Unspent CSR Account for the project as per Section 135(6) The Companies Act, 2013</b>	
<b>Mode of Implementation- Direct (Yes/No)</b>	
<b>Mode of Implementation- Through Implementing Agency</b> a) Name b) CSR Registration number	

- d) Amount spent in Administrative Overheads: Nil  
 e) Amount spent on Impact Assessment, if applicable: Nil  
 f) Total amount spent for the Financial Year (8b+8c+8d+8e):  
 g) Excess amount for set off if any  
 d) Amount spent in Administrative Overheads: Nil  
 e) Amount spent on Impact Assessment, if applicable: Nil  
 f) Total amount spent for the Financial Year (8b+8c+8d+8e):  
 g) Excess amount for set off, if any

S. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project Amount (In Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementing agency	
							Name	CSR Registration Number
1	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	2,15,105	Yes	G Pulla Reddy Educational Institute	-
2	Cattle Feed for Gaushala	Animal Welfare	Yes	Hyderabad, Telangana	9,10,000	Yes	KPR Enterprises Pvt. Ltd (Hyd)	-
3	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	25,000	Yes	Manson Center of Excellence School of Business Management	-
4	Scholarships to meritorious students below poverty line	Promoting Education among Children	No	Hyderabad, Telangana	73000	Yes	Maturi Venkata Subba Rao Engineering College	-
5	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	50,000	Yes	Sri Avinash Junior college	-
6	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	1,85,000	Yes	Sri Gowthami Educational Institute	-
7	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	59,035	Yes	Sri Nagarjuna Degree And Pg College	-
8	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	50,000	Yes	Malla Reddy Engineering College For Women	-
9	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	12,000	Yes	Govt. Degree College for Women, Begumpet	-
10	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	45,000	Yes	Sri Indu College	-
11	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	10,000	Yes	Sri Venkateshwara Art Tech College, Madhapur	-
12	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	5,88,000	Yes	National Institute of Technology, Warangal, Telangana	-
13	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	1,10,000	Yes	Personal Contribution	-
					<b>23,32,140</b>			



- d) Amount spent in Administrative Overheads: Nil
- e) Amount spent on Impact Assessment, if applicable: Nil
- f) Total amount spent for the Financial Year (8b+8c+8d+8e):
- g) Excess amount for set off, if any

S.No	Particular	Amount (In Rs.)
1	Two percent of average net profit of the company as per section 135(5)	22,12,689.82
2	Total amount spent for the Financial Year	23,32,140
3	Excess amount spent for the financial year [1-2]	1,19,540

### 9. a) Details of Unspent CSR amount for the preceding three financial years:

S.No	Preceding Financial Year	Amount transferred to Unspent CSRAccount under section 135 (6)	Amount spent in the reporting Financial Year (in `)	Amount transferred to any fund-specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding-financial years
				Name of the fund	Amount	Date of transfer	
1	2020-21	Nil	Nil	Nil			Nil
2	2021-22	Nil	Nil	Nil			Nil
3	2022-23	Nil	Nil	Nil			Nil

### b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S.No	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
NOT APPLICABLE								

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

a) Date of creation or acquisition of the capital asset(s).	NOT APPLICABLE
b) Amount of CSR spent for creation or acquisition of capital asset	NOT APPLICABLE



c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NOT APPLICABLE
d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NOT APPLICABLE

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - NOT APPLICABLE**

## 12. COMPOSITION OF CSR COMMITTEE

The CSR Committee of the board is tasked with the responsibility of keeping a close eye on the adherence of activities to Kellton Tech's CSR objectives and supervising the execution of its CSR policy. The committee earmarks the activities on which the funds are to be expended and evaluates the progress and resultant benefits accrued from them. The CSR committee comprises two independent directors and the MD. The members of the CSR committee are:

Sr. No	Name	Category of Director	Designation
1.	Mr. Srinivas Vijay Kumar Appana	Non-Executive Independent Director	Chairman
2.	Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
3.	Mr. Krishna Chintam	Executive Director	Member


**Sd/-**  
**Krishna Chintam**  
 Managing Director  
 DIN: 01658145

**Sd/-**  
**Srinivas Vijay Kumar Appana**  
 CSR Committee Chairman  
 DIN: 00299638

**Place :** Hyderabad

**Date :** 05.09.2023





Report of Independent Auditor on  
**Standalone Financial**  
Statement



## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of Kellton Tech Solutions Limited**  
**Report on the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Standalone Financial Statements of KELLTON TECH SOLUTIONS LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2023, 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 then ended and a summary of the significant accounting policies and other explanatory information. ("Here in after referred to as the "Standalone Financial Statements")

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 :

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2023 ;
- b) in the case of Statement of Profit and Loss, of the Profit for the year then ended ;
- c) in the case of Cash Flow Statement, of the Cash Flows, of the Company for the year ;
- d) In the case of Statement of Changes in Equity, of the changes in Equity, 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 ("SA"s) specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us 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:

SI No	Key Audit Matter	Auditor’s Response
1	<p><b>Fixed price contracts using the percentage of completion method</b></p> <p>Fixed price maintenance revenue is recognized either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using percentage of completion method when the pattern of benefits from services rendered to the customer and Company’s costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time has been recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or efforts to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of efforts or costs involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the lives of the contracts.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others:</p> <p>We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred.</p> <p>We selected a sample of fixed price contracts with customers accounted using percentage-of completion method and performed the following:</p> <ul style="list-style-type: none"> <li>• Compared efforts or costs incurred with Company’s estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract.</li> <li>• Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.</li> </ul>



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Standalone 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 objectives are to obtain reasonable assurance about whether the Standalone 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. Misstatements 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 Standalone 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 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 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 whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 Standalone 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 most significance in the audit of the Standalone 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 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 Section 143(3) of the Act, based on our audit 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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements ;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts ;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India ;



- iv. Based on our audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the various matters mentioned in 'Disclosures of other Statutory Information' annexed to the Notes to accounts, contain any material mis-statement ;
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN: 006266S

**Sd/-**

**V.ANANT RAO**

**Partner**

M.No.: 022644

**UDIN:** 23022644BGUPHB3143

**Place:** Hyderabad

**Date:** 30-05-2023



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Kellton Tech Solutions Limited ('the Company') as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





## **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 statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 the 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.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, 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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN: 006266S

**Sd/-**

**V.ANANT RAO**

**Partner**

M.No.022644

**UDIN:** 23022644BGUPHB3143

**Place:** Hyderabad

**Date:** 30-05-2023



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

**(i) With respect to Property, Plant and Equipment :**

**(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

**(b)** The Company has maintained proper records showing full particulars, including quantitative details and situation of Intangible Assets.

**(c)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management in accordance with a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed on such verification having regard to the size of the Company and nature of its Property, Plant and Equipment.

**(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 does not own any immovable properties.

**(e)** The Company has not revalued its Property, Plant and Equipment during the year.

**(f)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**(ii) (a)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the management has conducted physical verification of inventories at reasonable intervals during the year, in accordance with a regular program of verification, and the coverage and the procedures of such verification are appropriate. We are informed that no material discrepancies of 10 % or more in the aggregate in each class of inventory were noticed.

**(b)** The company has been sanctioned working capital limits by-M/s Bandhan Bank-Rs.30 Crores and M/s IndusInd Bank-Rs.5 Crores. The monthly returns filed by the company with these banks are generally in agreement with the books of account of the company subject to reconciliation.

**(iii)** According to the information and explanations given to us and on the basis of our examination of the records of the company, the company had made an investment in subsidiaries and step-down subsidiaries in earlier years. However there were no such investments during FY 2022-23.

**(iv)** According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

**(v)** 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 accepted any fixed deposits from its Shareholders and General Public.



**(vi)** According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

**(vii)** With respect to Statutory Dues :

**a)** The Company by and large is regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to information and explanation given to us the company is not registered under the provisions of Employees State Insurance Act, 1948.

**b)** There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

**c)** According to information and explanation given to us the dues of Income Tax which have not been deposited as on 31st March, 2023, on account of disputes is as follows :

Name of the Statute	Nature of Dues	Amount involved (in Rs. Lakhs)	Amount deposited (in Rs. Lakhs)	Balance (in Rs. Lakhs)	Period to Which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Demand u/s 43(3)	907.00	NILL	907.00	AY 2018-19	Appeal Filed with CIT (Appeals)

**(viii)** On the basis of our examination of records and according to the information and explanations given to us, the Company does not have any transactions which are referred to in clause (viii) of para 3 referred to in the said Order.

**(ix)** (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial Institutions.

**(b)** In our opinion and according to the information and explanations given to us, the company has not been declared as a wilful defaulter by any bank or Financial institution or other lender.

**(c)** In our opinion and according to the information and explanations given to us, the Term Loans availed by the company were applied for the purposes for which they were obtained.

**(d)** In our opinion and according to the information and explanations given to us, the company has not raised funds on short term basis for utilisation for long term purposes.

**(e)** Clauses (iii) (e) and (f) of Para 3 referred to in the said Order are not applicable.

**(x)** In our opinion and according to the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer during the year. Therefore, clause (x) of paragraph 3 of the said order is not applicable to the Company.

**(xi)** In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers / employees / whistle blowers has been noticed or reported during the year. Therefore, clauses (xi) (a) to (xi) (c) of paragraph 3 of the said order are not applicable to the Company.



**(xii)** The Company is not a Nidhi Company. Therefore, clauses (xii)(a) to (xii)(c) of paragraph 3 of the said order is not applicable to the Company.

**(xiii)** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

**(xiv)** (a) The Company has an Internal Audit System –Commensurate with size and nature of its business.  
(b) The Reports of the Internal Auditors for FY 2022-23 were considered by us.

**(xv)** According to the information and explanations given to us and based on our Examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with them and as such the provisions of Section 192 of the Companies Act, 2013 are not applicable.

**(xvi)** According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Therefore, clauses (xvi)(a) to (xvi)(d) of paragraph 3 of the said order is not applicable to the Company.

**(xvii)** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in this financial year (FY 2022-23) and during the immediately preceding financial year (FY 2021-22).

**(xviii)** There has been no resignation by the Statutory Auditors of the company during the year and as such provisions of clause (xviii) of paragraph 3 of the said order is not applicable to the Company.

**(xix)** According to the information and explanations given to us and based on our examination of the records of the Company, the information accompanying the financial statements, our knowledge of the Board of Directors and the management plans, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**(xx)** According to the information and explanations given to us and based on our examination of the records of the Company, the company does not have any ongoing projects or other projects and as such provisions of clause (xx) (a) and (b) of paragraph 3 of the said order are not applicable to the Company.

**(xxi)** According to the information and explanations given to us and based on our examination of the records of the company, there have been no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO Reports) in respect of its subsidiary company – M/s. Kellton Dbydx Software Private Limited – included in the consolidated financial statements.

For **ANANT RAO & MALLIK**  
Chartered Accountants  
FRN: 006266S

Sd/-

**V.ANANT RAO**  
Partner

M.No.022644

UDIN: 23022644BGUPHB3143

**Place:** Hyderabad

**Date:** 30-05-2023



## STANDALONE BALANCE SHEET AS AT 31.03.2023

(Amount in Rs)

	NOTE	As at March 31,2023	As at March 31,2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5.1	9,49,38,809	10,06,84,213
Right to use Assets	5.2	9,65,69,780	3,92,38,155
Goodwill	6	9,62,50,000	9,62,50,000
Other intangible assets		-	-
<b>Financial assets</b>			
Investments	7	86,92,18,034	86,92,18,034
Other financial assets	8	80,24,641	67,01,027
Deferred tax assets (net)	9	1,60,70,162	1,42,74,124
Other non-current assets	10	2,25,66,964	3,82,09,525
		<b>1,20,36,38,390</b>	<b>1,16,45,75,078</b>
<b>Current assets</b>			
Inventories	28	-	1,20,332
<b>Financial assets</b>			
Trade receivables	11	53,48,21,126	53,83,03,436
Cash and cash equivalents	12.1	24,11,117	20,50,932
Bank balances other than cash and cash equivalents	12.2	6,62,18,554	2,79,85,880
Other financial assets	13	30,04,28,681	22,62,82,936
Current Tax Assets		2,98,87,938	1,01,46,984
Other current assets	14	9,04,50,336	9,38,18,512
		<b>1,02,42,17,752</b>	<b>89,87,09,012</b>
<b>TOTAL ASSETS</b>		<b>2,22,78,56,142</b>	<b>2,06,32,84,090</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	48,26,53,995	48,24,79,000
Other equity	16	1,02,53,79,206	92,86,98,346
		<b>1,50,80,33,201</b>	<b>1,41,11,77,346</b>



<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	11,06,14,865	13,20,72,365
Other non-current liabilities	18	35,21,655	1,37,22,628
Provisions	19	4,52,88,307	3,44,64,348
Lease Liabilities	20	10,22,40,451	3,98,39,756
		<b>26,16,65,278</b>	<b>22,00,99,097</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	22,47,17,798	23,63,88,096
Trade payables	22	4,47,96,281	3,60,12,869
Other financial liabilities	23	6,03,31,873	5,57,44,334
Other current liabilities	24	7,25,50,921	6,72,35,412
Provisions	25	5,57,60,790	3,66,26,936
		<b>45,81,57,663</b>	<b>43,20,07,647</b>
		<b>71,98,22,941</b>	<b>65,21,06,744</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,22,78,56,142</b>	<b>2,06,32,84,090</b>

The Accompanying notes form an integral part of the financial statements  
As per our report of even date

For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Director

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
UDIN : 23022644BGUPHB3143

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949

**Place :** Hyderabad  
**Date :** 30-05-2023



## STANDALONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH 2023 (Amount in Rs)

	Note	For the Year ended	
		March 31,2023	March 31,2022
Revenue from operations	26	1,70,85,40,306	1,23,18,15,618
Other income	27	2,22,48,451	1,03,49,638
<b>Total income</b>		<b>1,73,07,88,757</b>	<b>1,24,21,65,256</b>
<b>Expenses</b>			
Cost of materials consumed	28	32,54,365	2,46,18,684
Employee benefits expense	29	1,22,33,92,700	85,41,08,416
Finance costs	30	5,46,47,259	4,35,69,175
Depreciation and amortization expense	31	5,97,25,517	4,97,15,520
<b>Other expenses</b>	32	25,67,09,844	12,50,64,721
<b>Total expenses</b>		<b>1,59,77,29,685</b>	<b>1,09,70,76,516</b>
<b>Profit / (Loss) before Exceptional items and tax</b>		<b>13,30,59,072</b>	<b>14,50,88,740</b>
Exceptional Items		7,79,212	1,20,948
<b>Profit / (Loss) before tax</b>		<b>13,38,38,284</b>	<b>14,52,09,688</b>
Tax expense:			
Current tax		4,16,37,000	3,75,74,000
Tax/(credit) in respect to earlier years		(3,22,604)	(18,45,007)
Deferred tax		(23,69,428)	5,82,187
<b>Profit (Loss) for the period from continuing operations</b>		<b>9,48,93,316</b>	<b>10,88,98,508</b>
<b>Profit/(loss) for the period</b>		<b>9,48,93,316</b>	<b>10,88,98,508</b>
Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit (liabilities) / asset net of tax		(19,70,414)	22,61,237
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5,73,390)	6,58,020
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		-	-
<b>Total other comprehensive income</b>		<b>(25,43,804)</b>	<b>29,19,257</b>
<b>Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>9,23,49,512</b>	<b>11,18,17,765</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic	33	0.96	1.16
Diluted		0.95	1.16



The Accompanying notes form an integral part of the financial statements  
As per our report of even date

For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Director

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
UDIN : 23022644BGUPHB3143

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949





## STANDALONE STATEMENT OF CASH FLOW

(Amount in Rs)

	For the Year ended	
	March 31,2023	March 31,2022
<b>Cash flow from Operating Activities</b>		
Profit for the Period	13,38,38,284	14,52,09,688
Adjustments for :		
Depreciation and amortization expense	5,97,25,517	4,97,15,520
Expense on employee stock based compensation	61,44,597	(7,09,275)
Bad Debts	41,57,114	-
Finance costs	5,46,47,259	4,35,69,175
Profit on disposal of property, plant and equipment	7,79,212	1,20,948
<b>Changes in operating assets and liabilities</b>		
Trade receivables	(6,74,804)	(4,91,23,037)
Other assets	(5,89,23,269)	(4,57,76,427)
Trade payables	87,83,412	(2,10,79,093)
Other liabilities	(43,12,074)	2,52,72,170
Provisions	2,74,14,009	(12,18,58,740)
<b>Net cash provided by operating activities before taxes</b>	<b>23,15,79,258</b>	<b>2,53,40,930</b>
Income taxes paid	6,10,55,349	5,74,33,343
<b>Net cash provided by operating activities</b>	<b>17,05,23,909</b>	<b>(3,20,92,413)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,42,58,423)	(3,05,71,433)
Net cash (used in)or provided by investing activities	(2,42,58,423)	(3,05,71,433)
<b>Cash flow from financing activities</b>		
Proceeds from Issue of share capital under ESOP scheme	9,46,725	32,55,008
Dividend paid	-	(2,40,97,284)
Finance costs paid	(5,46,47,259)	(4,35,69,175)
Change in loans and borrowings	(2,85,40,261)	9,71,62,002
Repayment of Lease liabilities	(2,54,31,832)	(3,07,32,817)
<b>Net cash used in financing activities</b>	<b>(10,76,72,627)</b>	<b>20,17,735</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,85,92,859</b>	<b>(6,06,46,111)</b>
<b>Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period</b>	<b>3,00,36,812</b>	<b>9,06,82,923</b>
<b>Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period</b>	<b>6,86,29,671</b>	<b>3,00,36,812</b>

# KELLTON TECH SOLUTIONS LIMITED



The Accompanying notes form an integral part of the financial statements  
As per our report of even date

For ANANT RAO & MALLIK  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Director

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
UDIN : 23022644BGUPHB3143

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949



**KELLTON TECH SOLUTIONS LIMITED**  
**Statement of changes in equity for the year ended March 31, 2023**

Particulars	Amount
<b>(a) Equity share capital (Balance at the April 1, 2022)</b>	<b>9,64,95,800</b>
Add: Shares capital issued under ESOP scheme	34,999
<b>Balance at the March 31, 2023</b>	<b>9,65,30,799</b>

**(b) Other equity**

Particulars	Reserves and Surplus (refer note 16)						Total
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings		
<b>Balance as at April 1, 2022</b>	<b>5,67,350</b>	<b>1,35,51,494</b>	<b>13,34,67,753</b>	<b>1,69,58,253</b>	<b>76,41,53,496</b>		<b>92,86,98,346</b>
Total Comprehensive Income for the year comprising of:							-
Profit for the period					9,23,49,512		9,23,49,512
Other Changes (Specified as under) :							-
Issue of equity shares under ESOP Scheme			7,71,730				7,71,730
Compensation cost related to employee share based payment				35,59,618			35,59,618
<b>Balance at the March 31, 2023</b>	<b>5,67,350</b>	<b>1,35,51,494</b>	<b>13,42,39,483</b>	<b>2,05,17,871</b>	<b>85,65,03,008</b>		<b>1,02,53,79,206</b>



The Accompanying notes form an interegral part of the financial statements  
As per our report of even date

For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Director

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
UDIN : 23022644BGUPHB3143

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS ACCOUNTING POLICIES FOR STANDALONE STATEMENTS 31<sup>ST</sup> -MARCH 2023

### 1) Corporate Information

Kellton Tech Solutions Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is global company and offers services in digital transformation, ERP and other IT services.

### 2) Basis of preparation

a) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 2013 and on a going concern concept other than Share based payment transactions and Defined benefit and other long-term employee benefits.

b) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

### 3) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, 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 these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes



## **a) Revenue recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of the initial application and the comparative information is not restated in the condensed consolidated interim statement of profit and loss. The effect on adoption of the said standard was insignificant on these financial statements.

## **b) Income tax**

The Company’ tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

## **c) Other estimates**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company’s estimate of equity instruments that will eventually vest.

## **4) Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### **b) Foreign currency transactions and balances**

#### **i) Initial Recognition**

Foreign currency transactions are recorded at the rates prevailing date of transactions.



## **ii) Exchange Differences**

Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

## **iii) Conversion**

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

## **iv) Translational**

Any exchange gain/loss consequent to translating financial statements from functional currency to presentation currency the resultant exchange difference is recognized in OCI and part of foreign currency translation reserve until eventual disposal of investment.

## **c) Investments**

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

## **d) Financial instruments**

Company does not has any financial instruments

## **e) Inventories**

Inventories are valued at lower of the cost or net realizable value whichever is lower on weighted average basis.

## **f) Property, plant and equipment**

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All



other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

## **g) Intangible Assets**

The Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

## **h) Depreciation**

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro-rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

## **i) Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.





## **j) Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

## **k) Leases**

Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. Company uses significant judgement in assessing the lease term and the applicable discount rate.

Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## **l) Revenue Recognition**

**i)** Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

**ii)** Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

**iii)** Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

**iv)** Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

**v)** Interest income is recognized on a time proportion basis taking into account the carrying amount and



the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

## **m) Employee Benefits**

The Company has the following employee benefit plans:

### **i) Provident fund**

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

### **ii) Gratuity**

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

### **iii) Leave encashment.**

Leave encashment claims are settled on year to year basis.

## **n) Share based payments**

In accordance with Ind AS 102 –“Share Based Payments”, Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.



## **o) Income Tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income

### **i) Current Income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### **ii) Deferred Income Tax**

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## **p) Segment reporting**

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.



## **q) Earnings Per Share**

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

## **r) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **s) Contingent Liabilities**

Subject to IND AS 109, contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

## **t) Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.

## **u) Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**v) Borrowing cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**w) Related parties Transactions:**

Related party transactions including purchases, services, fund and non-fund-based agreements are disclosed separately.



**KELLTON TECH SOLUTIONS LIMITED**  
**Significant accounting policies and notes to the accounts**  
 For the year ended March 31, 2023

**Note No 5.1 Property, plant and equipment**

Particulars	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value							
<b>At April 1, 2022</b>	<b>26,82,354</b>	<b>59,34,316</b>	<b>8,20,02,582</b>	<b>5,84,07,973</b>	<b>5,25,83,923</b>	<b>2,68,94,471</b>	<b>22,85,05,619</b>
Additions	1,76,934	14,15,237	2,18,87,040	-	-	-	2,34,79,211
Disposals / adjustments			(24,98,924)				(24,98,924)
<b>At March 31, 2023</b>	<b>28,59,287</b>	<b>73,49,554</b>	<b>10,13,90,698</b>	<b>5,84,07,973</b>	<b>5,25,83,923</b>	<b>2,68,94,471</b>	<b>24,94,85,906</b>
Accumulated depreciation							
<b>At April 1, 2022</b>	<b>17,96,206</b>	<b>49,01,012</b>	<b>5,16,17,617</b>	<b>2,35,86,862</b>	<b>2,66,72,362</b>	<b>1,92,47,348</b>	<b>12,78,21,406</b>
Depreciation expense	2,87,270	5,66,444	1,61,04,494	55,32,855	49,60,779	17,72,772	2,92,24,615
Disposals / adjustments			(24,98,924)				(24,98,924)
<b>At March 31, 2023</b>	<b>20,83,476</b>	<b>54,67,456</b>	<b>6,52,23,188</b>	<b>2,91,19,717</b>	<b>3,16,33,140</b>	<b>2,10,20,120</b>	<b>15,45,47,097</b>
<b>Net block March 31, 2023</b>	<b>7,75,812</b>	<b>18,82,097</b>	<b>3,61,67,511</b>	<b>2,92,88,256</b>	<b>2,09,50,782</b>	<b>58,74,351</b>	<b>9,49,38,809</b>
<b>Net block March 31, 2022</b>	<b>8,86,148</b>	<b>10,33,304</b>	<b>3,03,84,965</b>	<b>3,48,21,111</b>	<b>2,59,11,561</b>	<b>76,47,123</b>	<b>10,06,84,213</b>



## Note No 5.2 Right of use assets

	<b>Office premises</b>
<b>Gross block (at cost)</b>	
As at April 1, 2022	13,00,95,493.00
Additions	8,78,32,527
<b>As at March 31, 2023</b>	<b>21,79,28,020</b>
<b>Accumulated depreciation</b>	
As at April 1, 2022	9,08,57,338
Charge for the year	3,05,00,902
<b>As at March 31, 2023</b>	<b>12,13,58,240</b>
<b>Net block</b>	
<b>As at March 31, 2023</b>	<b>9,65,69,780</b>
<b>As at March 31, 2022</b>	<b>3,92,38,155</b>

## Note No 6. Other Intangible assets

	<b>Good Will</b>	<b>Other Intangible Assets</b>
Gross carrying value		
At April 1, 2022	9,62,50,000	2,63,23,662
Additions	-	-
Disposals / adjustments	-	-
At March 31, 2023	9,62,50,000	2,63,23,662
<b>Accumulated depreciation</b>		
At April 1, 2022	-	2,63,23,662
Amortisation expense	-	-
<b>Disposals / adjustments</b>	-	-
At March 31, 2023	-	2,63,23,662
<b>Net block March 31, 2023</b>	<b>9,62,50,000</b>	<b>0</b>
<b>Net block March 31, 2022</b>	<b>9,62,50,000</b>	<b>0</b>



## NON-CURRENT ASSETS FINANCIAL ASSET

### Note No 7. Investments

Particulars	As at March 31,2023	As at March 31,2022
<b>1) Investment in equity instruments (unquoted) Wholly owned subsidiaries (At Cost)</b>		
8,323,765 (March 31, 2022: 8,323,765) fully paid equity shares in Kellton Dbydx Software Pvt Ltd	4,05,79,293	4,05,79,293
547,068 (March 31, 2022: 547,068) fully paid equity shares in Kellton Tech Inc	31,18,36,382	31,18,36,382
2,380 (March 31,2022: 2380) fully paid equity shares in Kellton Tech Solution Inc	51,68,02,359	51,68,02,359
0 (March 31, 2022: 0 fully paid equity shares in Kellton Tech Limited	-	-
<b>Total</b>	<b>86,92,18,034</b>	<b>86,92,18,034</b>

### Note No 8. Other Financial Assets

Particulars	As at March 31,2023	As at March 31,2022
Security deposits		
Unsecured considered good	80,24,641	67,01,027
<b>Total</b>	<b>80,24,641</b>	<b>67,01,027</b>

### Note No 9. Deferred tax assets (net)

Particulars	As at March 31,2023	As at March 31,2022
<b>Deferred tax liabilities</b>		
Total Deferred tax liabilities	-	-
<b>Deferred tax assets</b>		
"Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets"	27,11,655	50,03,865
Provision for doubtful debts	-	-
Provision for gratuity and leave encashment	1,19,31,312	91,18,849
Right of use asset and lease liability	14,27,195	1,51,410
<b>Total Deferred tax assets</b>	<b>1,60,70,162</b>	<b>1,42,74,124</b>
<b>Deferred tax assets after set off</b>	<b>1,60,70,162</b>	<b>1,42,74,124</b>





## Note No 10. Other non-current assets

Particulars	As at March 31,2023	As at March 31,2022
Security Deposit	1,86,89,108	67,89,108
Prepaid expenses	9,53,050	11,79,876
Other non-current assets	-	2,47,30,756
Other non current assets-ESOPS	29,24,806	55,09,785
<b>Total</b>	<b>2,25,66,964</b>	<b>3,82,09,525</b>

## FINANCIAL ASSETS

### Note No 11. Trade receivables

Particulars	As at March 31,2023	As at March 31,2022
(Unsecured )		
Considered good	53,48,21,126	53,83,03,436
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>53,48,21,126</b>	<b>53,83,03,436</b>

### Trade Receivable aging schedule

Particulars	Outstanding for following periods from due date of payment						Total
	No Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	32,32,23,786	20,77,60,061	38,37,279	-	-	-	53,48,21,126
<b>As at March 31,2023</b>	<b>32,32,23,786</b>	<b>20,77,60,061</b>	<b>38,37,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,48,21,126</b>

Particulars	Outstanding for following periods from due date of payment						Total
	No Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	18,82,15,172	34,47,80,936	53,07,328	-	-	-	53,83,03,436
<b>As at March 31,2022</b>	<b>18,82,15,172</b>	<b>34,47,80,936</b>	<b>53,07,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,83,03,436</b>



## Note No 12.1 Cash and cash equivalents

Particulars	As at March 31,2023	As at March 31,2022
Cash on hand	81,256	3,43,822
Balances with banks in current accounts	23,29,861	17,07,110
<b>Cash and cash equivalents as per balance sheet</b>	<b>24,11,117</b>	<b>20,50,932</b>

## Note No 12.2 Bank balances other than cash and cash equivalents

Particulars	As at March 31,2023	As at March 31,2022
Fixed Deposit with banks	6,62,18,554	2,79,85,880
<b>Total</b>	<b>6,62,18,554</b>	<b>2,79,85,880</b>

## Note No 13. Other current financial assets

Particulars	As at March 31,2023	As at March 31,2022
Advances to employees	9,21,218	29,55,736
Accrued Revenue	5,83,59,999	-
Other Advances	24,11,47,464	22,33,27,200
<b>Total</b>	<b>30,04,28,681</b>	<b>22,62,82,936</b>

## Note No 14. Other current assets

Particulars	As at March 31,2023	As at March 31,2022
Prepaid expenses	2,64,89,063	1,98,50,060
Deposits	-	63,16,301
Others	6,39,61,273	6,76,52,151
<b>Total</b>	<b>9,04,50,336</b>	<b>9,38,18,512</b>

## Note No 15. Equity share capital

a)

Particulars	As at March 31,2023	As at March 31,2022
<b>Authorised</b>		
12,00,00,000 (March 31, 2022: 12,00,00,000 ) equity shares of Rs 5/- each	60,00,00,000	60,00,00,000
<b>Issued, subscribed and paid-up capital</b>		
96495800 (March 31, 2022: 9,64,95,800 ) equity shares of Rs 5/- each fully paid	48,26,53,995	48,24,79,000
	<b>48,26,53,995</b>	<b>48,24,79,000</b>



b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31,2023		As at March 31,2022	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,64,95,800	48,24,79,000	9,63,82,468	48,19,12,340
Add: Shares issued on exercise of employee stock options	34,999.00	1,74,995	1,13,332	5,66,660
Add: Bonus shares issued *			-	-
Number of shares outstanding at the end of the period	9,65,30,799	48,26,53,995	9,64,95,800	48,24,79,000

### c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 5 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31,2023		As at March 31,2022	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,07,54,356	42.23%	4,07,54,356	42.23%
2.Kellton Wealth Management LLP	71,83,384	7.44%	71,83,384	7.44%

\* The share holding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members

### e) In the period of five years immediately preceding March 31, 2022:

i) The Company has allotted 4,81,91,234 fully paid up equity shares during the quarter ended March 31, 2018, pursuant to 1:1 bonus share issue approved by shareholders passed through Postal Ballot concluded on 19.03.2018

ii) The Company has not bought back any equity shares.

iii) The Company has not allotted any equity shares as fully paid up without payment being received in cash



## f) Details of shares held by promoters at the end of the year 31st Mar,2023:

Promoter Name	No of Shares at the beginning of the year	Changes during the year	No. of Shares at the end of the year	%of total shares	% Change during the year
Krishna Reddy Chintam	11,42,286	-	11,42,286	1.18%	0.00%
Sreevidya Chintam	9,02,776	-	9,02,776	0.94%	0.00%
Mohana Reddy Chintam	3,28,552	-	3,28,552	0.34%	0.00%
Lakshmi Chintam	20,770	-	20,770	0.02%	0.00%
Kellton Wealth Management LLP	71,83,384	-	71,83,384	7.44%	0.00%
Matric Finvest LLP	4,07,54,356	-	4,07,54,356	42.23%	0.00%
<b>Total</b>	<b>5,03,32,124</b>	<b>-</b>	<b>5,03,32,124</b>	<b>52.16%</b>	<b>0.00%</b>

## Details of shares held by promoters at the end of the year 31st Mar,2022

Promoter name	No of Shares at the beginning of the year	Changes during the year	No. of Shares at the end of the year	%of total shares	% Change during the year
Krishna Reddy Chintam	11,42,286	-	11,42,286	1.18%	0.00%
Sreevidya Chintam	9,02,776	-	9,02,776	0.94%	0.00%
Mohana Reddy Chintam	3,28,552	-	3,28,552	0.34%	0.00%
Lakshmi Chintam	20,770	-	20,770	0.02%	0.00%
Kellton Wealth Management LLP	89,33,384	17,50,000	71,83,384	7.44%	-1.82%
Matric Finvest LLP	4,25,04,356	17,50,000	4,07,54,356	42.23%	-1.87%
<b>Total</b>	<b>5,38,32,124</b>	<b>35,00,000</b>	<b>5,03,32,124</b>	<b>52.16%</b>	<b>-3.69%</b>

## Note No 16. Other equity

Particulars	As at March 31,2023	As at March 31,2022
<b>a) Capital reserve</b>		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	5,67,350	5,67,350
<b>b) Security premium</b>		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	13,42,39,483	13,34,67,753
<b>c) General reserve</b>		
This represents appropriation of profit by the Company.	1,35,51,494	1,35,51,494
<b>d) Retained earnings</b>		



Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	85,65,03,008	76,41,53,496
<b>e) Share option outstanding account</b>		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees in case of forfeiture corresponding balance is transferred to general reserve.	2,05,17,871	1,69,58,253
<b>Total</b>	<b>1,02,53,79,206</b>	<b>92,86,98,346</b>

## NON- CURRENT LIABILITIES FINANCIAL LIABILITIES

### Note No 17. Borrowings

Particulars	As at March 31,2023	As at March 31,2022
(Long Term and Secured)		
Vehicle Loans		
a) ICICI Bank Ltd	-	3,05,352
b) Kotak Mahindra Bank Ltd	9,63,388	23,27,137
Loan - Indusind Bank	4,15,66,012	1,01,19,130
Bandhan Term Loan	1,33,33,334	2,66,66,667
IndusInd Term Loan	16,64,958	49,94,872
Kotak Term Loan	5,30,87,173	8,76,59,207
<b>Total</b>	<b>11,06,14,865</b>	<b>13,20,72,365</b>

Secured long term borrowings represent the amounts received from Banks as summarized below

Lender	Rate of Interest	Security	Terms of repayment	Amount Overdue
ICICI Banks	9.5%	Vehicle	60 Months	Nil
Kotak Mahindra Bank Limited	7.5%	Vehicle	36 Months	Nil
Indusind Bank	1 Year MCLR+ 0.70%	Pari Pasu charge with Bandhan bank	Multi years	Nil

### Note No 18. Other non-current liabilities

Particulars	As at March 31,2023	As at March 31,2022
Other liabilities	35,21,655	1,37,22,628
<b>Total</b>	<b>35,21,655</b>	<b>1,37,22,628</b>



## Note No 19. Provisions : Other Long Term Provisions

Particulars	As at March 31,2023	As at March 31,2022
Provision for employee benefits		
Gratuity	4,52,88,307	3,44,64,348
<b>Total</b>	<b>4,52,88,307</b>	<b>3,44,64,348</b>

## Note No 20. Lease Liabilities

Particulars	As at March 31,2023	As at March 31,2022
<b>Opening balance</b>	3,98,39,756	2,77,67,314
<b>Additions</b>	8,78,32,527	4,28,05,264
Add: Interest recognised during the year	92,34,848	3,11,802
Less: Payments made	(3,46,66,680)	(3,10,44,624)
<b>Total</b>	<b>10,22,40,451</b>	<b>3,98,39,756</b>

## CURRENT LIABILITIES FINANCIAL LIABILITIES

### Note No 21. Borrowings

Particulars	As at March 31,2023	As at March 31,2022
Working Capital Loan : Bandhan Bank	22,47,17,798	23,63,88,096
<b>Total</b>	<b>22,47,17,798</b>	<b>23,63,88,096</b>

Note:

Lender	Nature of facility	Sanction amount	Rate of interest	Security
Bandhan Bank	Cash Credit	30,00,00,000	12.1% p.a	(a) Pari Pasu charge on current assets, present and future alongwith Indusind bank . (b) Hypothecation on properties owned by promoters. (c ) Pledge of 24 lacs shares held by Matnic Finvest Private Limited (Promoter company) (d) Personal Gurantee and comfort letter from Promoters

### Note No 22. Trade Payables

Particulars	As at March 31,2023	As at March 31,2022
Trade Payables for goods and services	4,47,96,281	3,60,12,869
<b>Total</b>	<b>4,47,96,281</b>	<b>3,60,12,869</b>

Trade Payable ageing schedule



Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Others	4,42,18,979	5,77,302	-	-	4,47,96,281
<b>As at As at March 31, 2023</b>	<b>4,42,18,979</b>	<b>5,77,302</b>	<b>-</b>	<b>-</b>	<b>4,47,96,281</b>

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Others	3,51,85,217	8,27,652	-	-	3,60,12,869
<b>As at As at March 31, 2022</b>	<b>3,51,85,217</b>	<b>8,27,652</b>	<b>-</b>	<b>-</b>	<b>3,60,12,869</b>

## Note No 23. Other current financial liabilities

Particulars	As at March 31,2023	As at March 31,2022
Current maturities of long-term debt*	6,03,18,135	5,57,24,070
Interest accrued but not due on borrowings*	13,738	20,264
<b>Total</b>	<b>6,03,31,873</b>	<b>5,57,44,334</b>

### Note:

\* The details of interest rates, repayment and other terms are disclosed under note 17

## Note No 24. Other current liabilities

Particulars	As at March 31,2023	As at March 31,2022
Statutory dues payable	7,09,40,662	6,62,68,396
Dividend Payable	4,88,181	4,90,516
Others	11,22,078	4,76,500
<b>Total other current liabilities</b>	<b>7,25,50,921</b>	<b>6,72,35,412</b>

## Note No 25. Provisions : Other Short Term Provisions

Particulars	As at March 31,2023	As at March 31,2022
Provisions for employees benefits	5,54,10,790	3,62,76,936
Accrued Expenses	-	-
Audit fee payable	3,50,000	3,50,000
<b>Total</b>	<b>5,57,60,790</b>	<b>3,66,26,936</b>



## Note No 26. Revenue from operations:-

for the year end

Particulars	March 31,2023	March 31,2022
Revenue from operations (net)		
Software Services	1,70,08,87,885	1,22,02,70,092
Maintenance Services	76,52,421	1,15,45,526
<b>Total</b>	<b>1,70,85,40,306</b>	<b>1,23,18,15,618</b>

## Note No 27. Other income:

for the year end

Particulars	March 31,2023	March 31,2022
Foreign exchange gain	2,05,92,878	70,55,145
Interest income on financial as- sets at amortised cost	5,86,466	12,99,366
Interest received	10,69,107	19,43,889
Miscellaneous Income	-	51,238
<b>Total</b>	<b>2,22,48,451</b>	<b>1,03,49,638</b>

## Note No 28. Cost of Material Consumed:

for the year end

for the year end

Particulars	March 31,2023	March 31,2022
Purchase of Stock in trade	31,34,033	2,46,18,684
Opening Stock	1,20,332	1,20,332
(Less): Closing stock	-	(1,20,332)
<b>Total</b>	<b>32,54,365</b>	<b>2,46,18,684</b>

## Note No 29. Employee benefits expense:

for the year end

Particulars	March 31,2023	March 31,2022
Salaries and wages	1,15,75,82,756	80,61,60,598
Gratuity Expenses*	1,56,85,586	1,12,91,406
Contribution to provident and other funds	2,73,00,370	2,15,74,155
Employee stock compensation expenses	61,44,597	(7,09,275)
Staff welfare expenses	1,66,79,391	1,57,91,532
<b>Total</b>	<b>1,22,33,92,700</b>	<b>85,41,08,416</b>

\* Refer note 34

## Note No 30. Finance costs

for the year end

Particulars	March 31,2023	March 31,2022
Interest expense	4,02,04,260	3,64,77,047
Finance Cost on Lease	92,34,848	3,11,802
Other borrowing cost	52,08,151	67,80,326
<b>Total</b>	<b>5,46,47,259</b>	<b>4,35,69,175</b>





## Note No 31. Depreciation and amortization expense

for the year end

Particulars	March 31,2023	March 31,2022
On property, plant and equipment	2,92,24,615	2,32,64,743
On other intangible assets	-	36,99,195
On Right-of-use assets	3,05,00,902	2,27,51,582
<b>Total</b>	<b>5,97,25,517</b>	<b>4,97,15,520</b>

## Note No 32. Other expenses:

for the year end

Particulars	March 31,2023	March 31,2022
Professional Fee	9,91,32,761	5,68,64,643
Rent	41,99,378	25,36,661
Travelling and Conveyance	3,78,24,013	1,57,97,385
Internet and webhosting	42,91,819	15,34,472
Repairs and maintenance	1,86,48,952	1,27,45,310
Sales and Marketing	1,81,82,521	64,05,599
Printing & Stationery	8,99,468	5,23,812
Rates and taxes	97,557	20,74,376
CSR Contributions	23,32,140	15,97,308
Subscription fees and licences renewal cost	1,05,73,723	62,64,224
Exchange fluctuations Loss	1,40,96,549	65,37,178
Bad Debts	41,57,114	-
Other Miscellaneous expenses	4,19,73,849	1,18,83,753
<b>Auditor Remuneration:-</b>		
a) Statutory Audit fee	2,50,000	2,50,000
b) Taxation	50,000	50,000
<b>Total</b>	<b>25,67,09,844</b>	<b>12,50,64,721</b>

## Note No 33. Earnings per Share

for the year end

Particulars	March 31,2023	March 31,2022
Numerator for EPS		
Net Profit after tax (A)	9,23,49,512	11,18,17,765
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,65,30,799	9,64,95,800
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	9,67,55,483	9,65,71,639
Basic and diluted Earnings Per Share (A)/(B)	0.96	1.16
Diluted Earnings Per Share (A)/(C)	0.95	1.16



\* The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

## Note No 34. Gratuity

### a) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.52% (31-March-2023-7.52% and 31-March-2022 – 7.36%). The retirement age has been considered at 58 years

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the Balance Sheet for the respective plans.

Particulars	For the period ending	
	March 31,2023	March 31,2022
Present Value of Obligation as at beginning	3,62,31,918	3,15,40,299
Current Service Cost	67,76,185	49,29,193
Interest Expense or Cost	24,28,159	20,23,664
Change in financial assumptions	19,70,413	(22,61,238)
<b>Present Value of Obligation as attheend</b>	<b>4,74,06,676</b>	<b>3,62,31,918</b>

### Bifurcation of Net Liability

Particulars	As on	
	As at March 31,2023	As at March 31,2022
Current Liability Short-term)	21,18,369	17,67,570
Non-Current Liability (Long-term)	4,52,88,307	3,44,64,348
<b>Total Liability</b>	<b>4,74,06,676</b>	<b>3,62,31,918</b>

### b) Leave Encashment:-

Since leave encashment claims are settled on year-to-year basis, no actuarial valuation needs to be obtained.

## Note No 35. Financial risk management

The Company has exposure to the following risks arising from the financial instruments

Market Risk  
Liquidity Risk  
Credit Risk

### i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investment of excess liquidity.



## ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

### a) Foreign currency risk

The Company has export revenue and is exposed to foreign currency rate risk through operating activities. The foreign currency risks from financial instruments are as follows:

As at 31-March 2023	USD	GBP	EURO	AED
Trade Receivable	24,88,263	77,711	2,28,717	75,852
Cash and Cash equivalent	-	-	-	-
Investments-(In WOS)	1,25,22,300	-	-	-
<b>Total</b>	<b>1,50,10,563</b>	<b>77,711</b>	<b>2,28,717</b>	<b>75,852</b>
Financial liabilities	-	-	-	-
Financial Guarantee	48,27,711	-	-	-
Trade payable	-	-	-	-

As at 31-March 2022	USD	GBP	EURO	AED
Trade Receivable	21,73,497	21,755	2,88,299	-
Cash and Cash equivalent	-	-	-	-
Investments-(In WOS)	1,25,22,300	-	-	-
<b>Total</b>	<b>1,46,95,797</b>	<b>21,755</b>	<b>2,88,299</b>	-
Financial liabilities	-	-	-	-
Financial Guarantee	5,34,108	-	-	-
Trade payable	-	-	-	-

### b) Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet

### (c) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management

Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with the assessment and outstanding customer receivables are regularly monitored.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute



the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

## Note No 36. Leases

The Company's lease asset classes primarily consist of leases for land and buildings. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### The changes in the carrying value of ROU assets for the year ended are as follows

(Amount in Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Balance at the beginning	392.38	191.84
Additions	878.33	428.06
Adjustment on account of lease modification		
Depreciation	(305.01)	(227.52)
<b>Balance at the end</b>	<b>965.70</b>	<b>392.38</b>

### The movement in lease liabilities during the year ended as follows:

(Amount in Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Balance at the beginning	398.40	277.67
Additions	878.33	428.06
Finance cost accrued during the period	92.34	3.12
Adjustment on account of lease modification	-	-
Payment of Lease Liabilities	(346.67)	(310.45)
<b>Balance at the end</b>	<b>1022.40</b>	<b>398.40</b>



## Note No 37. Related Party Disclosures

### I) RELATED PARTIES WHERE CONTROL EXISTS

Names of the parties	Description of relationship
Kellton Tech Inc	Wholly owned Subsidiary
Kellton Dbydx Software Private Limited	Wholly owned Subsidiary
Kellton Tech Solutions Inc	Wholly owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Vivos Professional LLC	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Prosoft Technology Group Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Intelligencepeople Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Kellton Tech (UK) Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Lenmar Consulting ,Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
SID Computer Group, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Talent Partners, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Planetpro Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Planetpro Canada Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Planetpro Asia Pte Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Tivix Europe SP Z O O	Step Down Subsidiary (wholly owned subsidiary of Kellton Tech Limited)

### II) KEY MANAGERIAL PERSONNEL

- a) Mr. Niranjan Chintam - Director and CFO
- b) Mr. Krishna Chintam - Managing Director and CEO
- c) Mr. Karanjit Singh- Executive Director
- d) Ms. Rahul Jain( w.e.f July-2022 ) & Surabhi Jain(Apr-2022 to July-2022)-Company Secretary

### III) RELATIVE OF KEY MANAGERIAL PERSONNEL

Ms. SreeVidya Chintam- Wife of Mr. Niranjan Chairman

### IV) RELATED PARTY TRANSACTIONS DURING THE YEAR



Nature of transactions	Name of Entity	As at March 31,2023	As at March 31,2022
Sale of Services	<b>Subsidiaries</b>		
	Prosoft Technology Group Inc	16,39,83,569	10,12,95,445
	Kellton Tech Limited	7,09,56,552	2,98,20,840
	Lenmar Consulting Inc	2,14,28,313	1,29,89,907
	PlanetproInc	-	-
	Kellton Dbydx Software Private Limited	1,83,46,868	2,87,36,448
Rent paid for office building	<b>Relative of Key Management personnel</b>		
	SreeVidya Chintam & Niranjan Chintam	2,01,01,464	1,91,44,248

## V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

Particulars of Remuneration	For the year ended	
	As at March 31,2023	As at March 31,2022
Short Term employee benefits	1,20,73,571	1,21,46,310
Share-based payment transactions	Nil	Nil
Total compensation paid to key management personnel	1,20,73,571	1,21,46,310

\* The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

## VI) OUTSTANDING BALANCES

		As at March 31,2023	As at March 31,2022
Trade Receivable	Prosoft Technology Group Inc	4,69,58,182	7,99,98,778
	Kellton Tech Limited	2,04,94,781	2,44,07,322
	Lenmar Consulting Inc	60,64,976	41,13,672
	Kellton Dbydx Software Private Limited	2,16,49,304	3,33,21,755
Equity Investment in Subsidiaries			
	Kellton Dbydx Software Private Limited	4,05,79,293	4,05,79,293
	Kellton Tech Inc	31,18,36,382	31,18,36,382
	Kellton Tech Solutions Inc	51,68,02,359	51,68,02,359
Security Deposit	Sree Vidya Chintam	25,85,000	25,85,000

### Note No 38. Employee stock option plan (ESOPS)

The company instituted Kellton Tech Solutions employee stock option, which was approved by shareholders at 19th AGM i.e 27-Dec-2013. The options granted under the ESOP scheme of the Company shall vest only if till the employee serves the Company. Company has made 12 grants under this scheme as of now.



Details of the grant/issue are given below

Particulars	As at March 31,2023	As at March 31,2022
	No of option	No of option
Options outstanding at the beginning of the year	1301839	524028
Granted during the year	0	1257500
Vested during the year	419161	319162
Exercised during the year	34999	113332
Lapsed or Forfeited during the years	84337	366357
Options outstanding at the end of the year	1182503	1301839
Options vested and exercisable at the end of the year	629993	330168

The financial entries pertaining to ESOPS are subject to reconciliation after considering the terms and conditions of issue of ESOPS.

#### Note No 39. Segment Reporting

On standalone basis segmental revenue is 99% from Digital transformation services 1% from others.

#### Note No 40. Contingent liabilities

Contingent liabilities as at 31-March-2023 are Nil (previous year-Nil).

**Note No 41.** In the opinion of the management the sum of Rs 6,38,95,787 due from Enterprise Consulting Partner,Inc is overdue but good and recoverable, since the said entity is also having due of sum of Rs 6,57,76,000 (USD 800000) in Kellton Tech Inc, subsidiary company. The balance due of Rs.18,80,213 is good and recoverable.

**Note No 42.** There is no Inventory at the end of the year

**Note No 43.** Impairment of goodwill as an asset has been considered by management and it is of view that there is no impairment in view of business continuity post-acquisition of Tekriti.

#### Note No 44. Corporate social responsibility

The Company has incurred an expenditure on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013.



Particulars	Year Ended	Year Ended
	31-Mar-23	31-Mar-22
a) Gross amount required to be spent by the company	22,12,690	20,49,917
b) Amount of expenditure incurred	23,32,140	15,97,308
c) Short fall at the end of the year	-	4,52,609
d) Total of previous year shortfall	-	-
e) Reason for short fall	-	-
f) Nature of CSR Activities	Promoting Education, Ensuring Environmental sustainability, Corona Relief	Promoting Education, Ensuring Environmental sustainability, Corona Relief
g) Details of related party transactions	-	-
h) Details of Provision made for liability incurred by entering into contractual obligation	-	-

**Note No 45.** Previous year's figures have been regrouped where necessary to conform to current year's classification.

**Note No 46. 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 charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

**c)** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**d)** The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**e)** Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**f)** The Company does not have 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).

**g)** The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.





**h)** The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**i)** The Company does not have any transaction which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**j)** The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year

**k)** The company is not having any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

## Note No 46. Analytical Ratios :

Particulars	Numerator	Denominator	Ratio		Variance	Reasons for > 25 % variance
			As at 31-03-2023	As at 31-03-2022		
a) Current Ratio	Current Assets	Current Liabilities	2.2	2.1	7.5%	
b) Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.69	0.76	-9.0%	
c) Debt-Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	3.43	4.33	-20.7%	
d) Return on Equity Ratio	Net Profit after Taxes.	Average Shareholders' Equity	19.66%	22.58%	-12.9%	
e) Inventory Turnover Ratio	Sales	Inventory	0	0	0.0%	
f) Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.18	2.40	32.8%	Increase in Sales
g) Trade Payables Turnover Ratio	Purchases of Services and other Expenses	Average Trade Payables	6.43	3.22	100.1%	Increase in Other Expenses
h) Net Capital Turnover Ratio	Net Sales	Average Working Capital	3.31	2.91	13.8%	
i) Net Profit Ratio	Net Profit	Net Sales	5.5%	8.8%	-37.5%	Decrease in profit
j) Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed	10.61%	11.57%	-8.3%	
k) Return on Investment	Income generated from Investments	Time Weighted Average Investments	-	-	-	



Independent Auditors Report on the  
**Consolidated Financial**  
Statements



## INDEPENDENT AUDITORS' REPORT

**To**  
**The Members of Kellton Tech Solutions Limited**  
**Report on the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying Consolidated Financial Statements of KELLTON TECH SOLUTIONS LIMITED ('the Company'), and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2023, and 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 then ended, and a summary of significant 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 ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India :

- a) in the case of Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2023 ;
- b) in the case of Consolidated Statement of Profit and Loss, of the Profit for the year then ended ;
- c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of the Company for the year ;
- d) in the case of Consolidated Statement of Changes in Equity, of the changes in Equity, 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 ("SA"s) specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the Consolidated 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 obtained by us 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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.



SI No	Key Audit Matter	Auditor's Response
1	<p><b>Fixed price contracts using the percentage of completion method</b></p> <p>Fixed price maintenance revenue is recognized either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using percentage of completion method when the pattern of benefits from services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive</p> <p>Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time has been recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.</p> <p>We identified the estimate of total efforts or efforts to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of efforts or costs involves significant judgment throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the lives of the contracts.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others :</p> <p>We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred.</p> <p>We selected a sample of fixed price contracts with customers accounted using percentage of-completion method and performed the following:</p> <ul style="list-style-type: none"> <li>• Compared efforts or costs incurred with Group's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract.</li> <li>• Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.</li> </ul>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance



and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 changes in equity and consolidated cash flows of the Group in accordance with the IndAS and other accounting principles generally accepted in India. The respective Boards 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 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 the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated 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. Misstatements 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 financial 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 whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 within the Group 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements 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 independence, 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 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 communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matters**

We did not audit the financial statements / financial information of 4 subsidiaries, for the year ended on that date, as considered in the consolidated financial statements. As disclosed in Note No. 44 forming part of accounts, these financial statements / financial information pertaining to 3 subsidiaries which are unaudited and 1 subsidiary which is audited by other auditors have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the aforesaid subsidiaries, is based solely on such financial statements / financial information given to us by the Management.

We also refer Note No 43- Exceptional Items- regarding de-recognition of Goodwill - the company reviewed the economic benefits from the acquired brands and founds that the brand values reflected in the books of Kellton Tech Inc (USA), Kellton Tech Solutions Inc (USA) and Kellton Tech Solutions (Ireland) as goodwill have no economic value going forward. In view of this, and with reference to Ind AS 38, the Board decided to write off the related brand value in the books of Kellton Tech Inc (USA), Kellton Tech Solutions Inc (USA) and Kellton Tech Solutions (Ireland) amounting to \$22.90 Min ( INR 184,07,11681).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## **Report on Other Legal and Regulatory Requirements**

### **1. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit of aforesaid consolidated financial statements.
- b)** In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c)** The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 Indian Accounting Standards prescribed under Section 133 of the Act.
- e)** On the basis of the written representations received from the Directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 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 over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

**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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.
- iv. Based on our audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the various matters mentioned in 'Disclosures of other Statutory Information' annexed to the Notes to accounts, contain any material mis-statement ;
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN: 006266S

**Sd/-**

**V.ANANT RAO**

**Partner**

M.No.022644

**UDIN:** 23022644BGUPHC1580

**Place:** Hyderabad

**Date:** 30-05-2023





## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Kellton Tech Solutions Limited (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, 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 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 the 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 and its subsidiary companies, which are companies incorporated in India, 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 ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls



over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India

## **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 statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, 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, 2022, based on the internal



financial 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 issued by the ICAI.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN: 006266S

**Sd/-**

**V.ANANT RAO**

**Partner**

M.No.022644

**UDIN:** 23022644BGUPHC1580

**Place:** Hyderabad

**Date:** 30-05-2023



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

(Amount in Rs)

	NOTE	As at March 31,2023	As at March 31,2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6.1	9,65,16,925	10,47,17,544
Right to use Assets	6.2	11,33,13,805	6,67,19,978
Goodwill	7	11,50,31,865	1,52,93,25,841
Other intangible assets		31,33,44,421	28,91,51,202
<b>Financial assets</b>			
Other financial assets	8	86,98,299	73,72,130
Other non-current assets	9	10,27,99,466	9,57,73,975
		<b>74,97,04,781</b>	<b>2,09,30,60,670</b>
Current assets			
<b>Inventories</b>	29	-	1,20,332
Financial assets			
Trade receivables	10	2,56,62,60,783	2,22,60,12,787
Cash and cash equivalents	11.1	23,19,93,965	22,01,05,426
Bank balances other than cash and cash equivalents	11.2	6,62,81,137	2,80,48,463
Other financial assets	12	1,78,50,92,317	1,62,91,15,085
Current Tax Assets		4,85,81,708	-
Other current assets	13	51,70,28,523	52,35,56,328
		<b>5,21,52,38,433</b>	<b>4,62,69,58,421</b>
<b>TOTAL ASSETS</b>		<b>5,96,49,43,214</b>	<b>6,72,00,19,091</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	48,26,53,995	48,24,79,000
Other equity	15	3,24,75,68,317	4,30,42,93,578
		<b>3,73,02,22,312</b>	<b>4,78,67,72,578</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	16	42,56,24,630	13,23,44,700
Other financial liabilities	17	18,80,213	8,80,28,198
Other non-current liabilities	18	35,21,655	1,37,22,628
Provisions	19	4,52,88,307	3,44,64,348

# KELLTON TECH SOLUTIONS LIMITED



<b>Deferred tax liabilities (Net)</b>	20	1,81,32,385	2,36,04,772
<b>Lease Liabilities</b>	21	12,43,05,104	7,57,41,386
		<b>61,87,52,294</b>	<b>36,79,06,032</b>
Current liabilities			
Financial liabilities			
Borrowings	22	92,74,67,553	91,78,23,065
Trade payables	23	20,13,96,904	15,12,98,231
Other financial liabilities	24	14,25,51,873	9,72,35,770
Other current liabilities	25	11,77,33,373	11,24,34,537
Provisions	26	22,68,18,905	25,51,01,752
Current tax liabilities (Net)		-	3,14,47,125
		<b>1,61,59,68,608</b>	<b>1,56,53,40,481</b>
		<b>2,23,47,20,902</b>	<b>1,93,32,46,513</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,96,49,43,214</b>	<b>6,72,00,19,091</b>

The Accompanying notes form an integral part of the financial statements  
As per our report of even date

For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Directors

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
**UDIN : 23022644BGUPHC1580**

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs)

	Note	For the year ended	
		March 31,2023	March 31,2022
Revenue from operations	27	9,17,32,58,067	8,42,67,12,473
Other income	28	2,22,48,451	1,19,70,741
<b>Total income</b>		<b>9,19,55,06,518</b>	<b>8,43,86,83,214</b>
Expenses			
Cost of materials consumed	29	32,54,365	2,46,18,684
Employee benefits expense	30	4,63,56,85,819	4,30,36,22,263
Finance costs	31	11,43,95,277	11,55,29,104
Depreciation and amortization expense	32	14,46,01,407	10,93,42,945
Other expenses	33	3,59,95,97,782	3,05,11,59,085
<b>Total expenses</b>		<b>8,49,75,34,650</b>	<b>7,60,42,72,081</b>
<b>Profit / (Loss) before Exceptional items and tax</b>		<b>69,79,71,868</b>	<b>83,44,11,133</b>
Exceptional Items		(1,84,07,11,681)	1,20,948
<b>Profit / (Loss) before tax</b>		<b>(1,14,27,39,813)</b>	<b>83,45,32,081</b>
<b>Tax expense:</b>			
Current tax		12,85,70,670	13,27,83,265
Tax/(credit) in respect to earlier years		(7,57,104)	(32,34,587)
Deferred tax	20	(24,64,978)	5,32,252
<b>Profit (Loss) for the period from continuing operations</b>		<b>(1,26,80,88,401)</b>	<b>70,44,51,151</b>
<b>Profit/(loss) for the period</b>		<b>(1,26,80,88,401)</b>	<b>70,44,51,151</b>
Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset) (net of tax)		(19,70,414)	22,61,237
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5,73,390)	6,58,020
B) (i) Items that will be reclassified to profit or loss		(3,82,22,118)	54,52,390
<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>			
<b>Total other comprehensive income</b>		<b>(4,07,65,922)</b>	<b>83,71,647</b>
<b>Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(1,30,88,54,323)</b>	<b>71,28,22,798</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic	34	(13.56)	7.39
Diluted		(13.53)	7.39



The Accompanying notes form an integral part of the financial statements  
As per our report of even date

For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Directors

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
**UDIN : 23022644BGUPHC1580**

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949



## CONSOLIDATED STATEMENT OF CASH FLOW

	For the Year ended	
	March 31'2023	March 31'2022
<b>Cash flow from Operating Activities</b>		
Profit for the Period	(1,14,27,39,813)	83,45,32,081
Adjustments for :		
Depreciation and amortization expense	14,46,01,407	10,93,42,945
Expense on employee stock based compensation	35,59,619	(73,74,534)
Allowance for doubtful debt	-	(17,86,428)
Bad Debts	75,91,892	6,87,44,146
Finance costs	11,43,95,277	11,55,29,104
Foreign currency translation	(3,82,22,118)	54,52,390
Profit on disposal of property, plant and equipment	7,79,212	1,20,948
Good will Write-off	1,84,14,90,893	-
<b>Changes in operating assets and liabilities</b>		
Trade receivables	(34,78,39,888)	(23,44,85,650)
Other assets	(15,76,80,755)	(44,83,02,770)
Trade payables	5,00,98,673	(1,04,34,755)
Other liabilities	(49,02,137)	26,26,267
Provisions	(1,74,58,888)	(15,31,23,233)
<b>Net cash provided by operating activities before taxes</b>	<b>45,36,73,374</b>	<b>28,08,40,511</b>
Income taxes paid	(21,08,49,808)	(27,41,52,732)
<b>Net cash provided by operating activities</b>	<b>24,28,23,566</b>	<b>66,87,779</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(20,79,67,046)	(12,08,53,993)
Goodwill and capital reserve	1,33,97,260	8,61,16,141
Earnout payments-(net)	(52,67,42,162)	(66,98,560)
<b>Net cash (used in)or provided by investing activities</b>	<b>(72,13,11,948)</b>	<b>(4,14,36,412)</b>
<b>Cash flow from financing activities</b>		
Proceeds from Issue of share capital under ESOP scheme	9,46,725	32,55,009
Finance costs paid	(11,43,95,277)	(11,55,29,104)
Change in loans and borrowings	34,82,40,521	13,53,43,118
Dividend paid	-	(2,40,97,284)
Changes in Reserves	24,52,53,908	(10,03,34,303)
Repaymet of Lease Liabilities	4,85,63,718	(39,09,679)
<b>Net cash used in financing activities</b>	<b>52,86,09,595</b>	<b>(10,52,72,243)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,01,21,213</b>	<b>(14,00,20,876)</b>



# KELLTON TECH SOLUTIONS LIMITED



<b>Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period</b>	<b>24,81,53,889</b>	<b>38,81,74,765</b>
<b>Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period</b>	<b>29,82,75,102</b>	<b>24,81,53,889</b>

The Accompanying notes form an integral part of the financial statements  
As per our report of even date

For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Directors

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
**UDIN : 23022644BGUPHC1580**

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949

## KELLTON TECH SOLUTIONS LIMITED

### Statement of changes in equity for the year ended March 31, 2023

Particulars	Amount (Rs)
<b>(a) Equity share capital (Balance at the April 1, 2022)</b>	<b>9,64,95,800</b>
Add: Shares capital issued under ESOP scheme	34,999
Balance at the March 31, 2023	<b>9,65,30,799</b>

(b) Other equity

Particulars	Reserves and Surplus (refer note 15)					Total	
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings		Other Comprehensive Income
<b>Balance as at April 1, 2022</b>	<b>19,82,65,210</b>	<b>1,17,97,477</b>	<b>13,34,67,752</b>	<b>1,69,58,253</b>	<b>3,93,54,33,238</b>	<b>83,71,647</b>	<b>4,30,42,93,578</b>
Total Comprehensive Income for the period comprising of:							
(i) Profit for the period					(1,26,80,88,401)		<b>(1,26,80,88,401)</b>
(ii) Other comprehensive income (net of taxes)	1,33,97,260				24,27,72,101	(4,91,37,569)	<b>20,70,31,792</b>
Issue of equity shares			7,71,731				<b>7,71,731</b>
Compensation cost related to employee share based payment				35,59,618			<b>35,59,618</b>
<b>Balance as at March 31, 2023</b>	<b>21,16,62,470</b>	<b>1,17,97,477</b>	<b>13,42,39,483</b>	<b>2,05,17,871</b>	<b>2,91,01,16,938</b>	<b>(4,07,65,922)</b>	<b>3,24,75,68,317</b>

The Accompanying notes form an integral part of the financial statements  
As per our report of even date

# KELLTON TECH SOLUTIONS LIMITED



For **ANANT RAO & MALLIK**  
Firms' Registration Number: 006266S  
Chartered Accountants

For and on behalf of the Board of Directors

**Sd/-**  
**V.ANANT RAO**  
Partner  
M No. 022644  
**UDIN : 23022644BGUPHC1580**

**Sd/-**  
**Niranjan Chintam**  
Director & CFO

**Sd/-**  
**Krishna Chintam**  
Managing Director & CEO

**Place :** Hyderabad  
**Date :** 30-05-2023

**Sd/-**  
**Rahul Jain**  
Company Secretary  
M No. A62949



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ACCOUNTING POLICIES FOR CONSOLIDATED STATEMENTS 31<sup>ST</sup>-MARCH 2023

### 1) Corporate Information

Kellton Tech Solutions Limited (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is global company and offers services in digital transformation, ERP and other IT services.

### 2) Basis of preparation

a) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 2013 and on a going concern concept other than Share based payment transactions and Defined benefit and other long-term employee benefits.

b) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

### Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act.

### 3) Principles of consolidation

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended March 31, 2023 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on ‘Consolidated Financial Statements’, notified by Companies (Accounting Standards) Rules, 2015, (“Indian Accounting Standards”) by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The financial statements of the Company and its subsidiary companies have been combined on line-by-line basis by adding together, the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Company of its investment in a subsidiary and the Company’s portion of



equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the subsidiary over the cost of investment in the subsidiary is treated as capital reserve in the consolidated financial statements

#### **4) Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, 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 these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes

##### **a) Revenue recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, The standard is applied retrospectively only to contracts that are not completed as at the date of the initial application and the comparative information is not restated in the condensed consolidated interim statement of profit and loss. The effect on adoption of the said standard was insignificant on these financial statements.

##### **b) Income tax**

The Company' tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

##### **c) Other estimates**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.



## **d) Intangible assets and contingent consideration in business combinations**

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

## **5) Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### **b) Foreign currency transactions and balances**

#### **i) Initial Recognition**

Foreign currency transactions are recorded at the rates prevailing date of transactions.

#### **ii) Exchange Differences**

Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

#### **iii) Conversion**

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**iv)** The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognized in other comprehensive income and is presented under equity in the foreign currency translation reserve.



## **c) Investments**

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

## **d) Financial instruments**

Company does not has any financial instruments

## **e) Inventories**

Inventories are valued at lower of the cost or net realizable value whichever is lower on weighted average basis.

## **f) Property, plant and equipment**

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

## **g) Intangible Assets**

The Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.



Software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

## **h) Depreciation**

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro-rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

## **i) Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.

## **j) Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

## **k) Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and





periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## **l) Revenue Recognition**

**i)** Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

**ii)** In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

**iii)** Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

**iv)** Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

**v)** Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

## **m) Employee Benefits**

The Company has the following employee benefit plans:

### **i) Provident fund**

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.



## **ii) Gratuity**

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

## **iii) Leave encashment.**

Leave encashment claims are settled on year to year basis.

## **n) Share based payments**

In accordance with Ind AS 102 – “Share Based Payments”, Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company’s estimate of equity instruments that will eventually vest.

## **o) Income Tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income

## **i) Current Income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.



## **ii) Deferred Income Tax**

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## **p) Segment reporting**

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

## **q) Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

## **r) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **s) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation

## **t) Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.

## **u) Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **v) Borrowing cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

## **w) Related parties Transactions:**

Related party transactions including purchases, services, fund and non-fund-based agreements are disclosed separately.



**KELLTON TECH SOLUTIONS LIMITED**  
**Significant accounting policies and notes to the accounts**  
**For the year ended March 31, 2023**  
**Note No 6.1 Property, plant and equipment**

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value								
<b>At April 1, 2022</b>	<b>62,09,611</b>	<b>26,93,703</b>	<b>8,32,20,877</b>	<b>9,63,70,548</b>	<b>5,84,07,973</b>	<b>6,31,98,380</b>	<b>3,65,40,232</b>	<b>34,66,41,324</b>
Additions	-	1,76,934	14,15,237	2,18,87,040	-	-	-	2,34,79,211
Disposals / adjustments				(24,98,924)				(24,98,924)
Translation exchange difference	5,25,044		63,82,832	2,55,594	-	8,33,932	5,61,014	85,58,415
<b>At March 31, 2023</b>	<b>67,34,655</b>	<b>28,70,636</b>	<b>9,10,18,947</b>	<b>11,60,14,258</b>	<b>5,84,07,973</b>	<b>6,40,32,312</b>	<b>3,71,01,246</b>	<b>37,61,80,027</b>
<b>Accumulated depreciation</b>								
<b>At April 1, 2022</b>	<b>62,09,611</b>	<b>18,07,556</b>	<b>8,22,13,007</b>	<b>6,47,63,609</b>	<b>2,35,86,861</b>	<b>3,72,86,824</b>	<b>2,60,56,311</b>	<b>24,19,23,780</b>
Depreciation expense		2,87,270	5,66,447	1,70,52,643	55,32,855	49,60,781	34,74,099	3,18,74,095
Disposals / adjustments				(24,98,924)				(24,98,924)
Translation exchange difference	5,25,044	-	63,82,832	2,44,357		8,33,932	3,77,987	83,64,152
<b>At March 31, 2023</b>	<b>67,34,655</b>	<b>20,94,826</b>	<b>8,91,62,286</b>	<b>7,95,61,685</b>	<b>2,91,19,717</b>	<b>4,30,81,537</b>	<b>2,99,08,396</b>	<b>27,96,63,102</b>
<b>Net block March 31, 2023</b>	<b>-</b>	<b>7,75,811</b>	<b>18,56,661</b>	<b>3,64,52,572</b>	<b>2,92,88,256</b>	<b>2,09,50,775</b>	<b>71,92,849</b>	<b>9,65,16,925</b>
<b>Net block March 31, 2022</b>	<b>-</b>	<b>8,86,147</b>	<b>10,07,871</b>	<b>3,16,06,938</b>	<b>3,48,21,111</b>	<b>2,59,11,556</b>	<b>1,04,83,921</b>	<b>10,47,17,544</b>



## Note No 6.2. Right of use assets

	Office premises
<b>Gross block (at cost)</b>	
As at April 1, 2022	20,35,34,506
"Additions (transitional impact on adoption of Ind AS 116)"	12,82,03,433
Adjustment on account of lease modification	(7,96,48,538)
Translation exchange difference	62,09,525
<b>As at March 31, 2023</b>	<b>25,82,98,925</b>
<b>Accumulated depreciation</b>	
As at April 1, 2022	13,68,14,528
Charge for the year	5,36,01,910
Adjustment on account of lease modification	(4,87,33,657)
Translation exchange difference	33,02,339
<b>As at March 31, 2023</b>	<b>14,49,85,120</b>
<b>Net block</b>	
<b>As at March 31, 2023</b>	<b>11,33,13,805</b>
<b>As at March 31, 2022</b>	<b>6,67,19,978</b>

## Note No 7. Other Intangible assets

	Good Will	Other Intangible Assets
<b>Gross carrying value</b>		
<b>At April 1, 2022</b>	<b>1,52,93,25,841</b>	<b>60,63,47,307</b>
Additions		6,46,57,808
Disposals / adjustments	(1,62,44,07,657)	
Translation exchange difference	21,01,13,682	4,32,79,294
<b>At March 31, 2023</b>	<b>11,50,31,865</b>	<b>71,42,84,410</b>
<b>Accumulated depreciation</b>		
<b>At April 1, 2022</b>	-	<b>31,71,96,105</b>
Amortisation expense	-	5,91,25,402
Disposals / adjustments	-	
Translation exchange difference	-	2,46,18,481
<b>At March 31, 2023</b>	-	<b>40,09,39,988</b>
<b>Net block March 31, 2023</b>	<b>11,50,31,865</b>	<b>31,33,44,421</b>
<b>Net block March 31, 2022</b>	<b>1,52,93,25,841</b>	<b>28,91,51,202</b>



## Note No 8. Other financial assets

Particulars	As at March 31,2023	As at March 31,2022
Security deposits		
Unsecured considered good	86,98,299	73,72,130
<b>Total</b>	<b>86,98,299</b>	<b>73,72,130</b>

## Note No 9. Other non-current assets

Particulars	As at March 31,2023	As at March 31,2022
Security Deposit	1,96,42,158	79,68,984
Other non-current assets	-	1,11,30,756
Other non current assets*	8,31,57,308	7,66,74,235
<b>Total</b>	<b>10,27,99,466</b>	<b>9,57,73,975</b>

\*Sale Consideration

## FINANCIAL ASSETS

### Note No 10. Trade receivables

Particulars	As at March 31,2023	As at March 31,2022
(Unsecured )		
Considered good	2,56,62,60,783	2,22,95,24,796
Less: Allowance for doubtful debts	-	(35,12,009)
<b>Total</b>	<b>2,56,62,60,783</b>	<b>2,22,60,12,787</b>

### Trade receivable aging schedule

Particulars	Outstanding for following periods from due date of payment						Total
	No Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	95,98,04,002	1,05,17,59,513	55,46,97,268				2,56,62,60,783
<b>As at March 31,2023</b>	<b>95,98,04,002</b>	<b>1,05,17,59,513</b>	<b>55,46,97,268</b>	-	-	-	<b>2,56,62,60,783</b>



Particulars	Outstanding for following periods from due date of payment						Total
	No Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	70,74,76,946	1,39,92,44,886	12,28,02,964	-	-	-	2,22,95,24,796
<b>As at March 31,2022</b>	<b>70,74,76,946</b>	<b>1,39,92,44,886</b>	<b>12,28,02,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,22,95,24,796</b>

## Note No 11.1 Cash and cash equivalents

Particulars	As at March 31,2023	As at March 31,2022
Cash on hand	3,06,517	5,36,815
Balances with banks in current accounts	23,16,87,447	21,95,68,610
<b>Cash and cash equivalents as per balance sheet</b>	<b>23,19,93,965</b>	<b>22,01,05,426</b>

## Note No 11.2 Bank balances other than cash and cash equivalents

Particulars	As at March 31,2023	As at March 31,2022
Fixed Deposit with banks	6,62,81,137	2,80,48,463
<b>Total</b>	<b>6,62,81,137</b>	<b>2,80,48,463</b>

## Note No 12. Other current financial assets

Particulars	As at March 31,2023	As at March 31,2022
Advances to employees	48,59,277	91,85,264
Accrued Revenue	1,46,26,56,159	1,31,71,19,025
Other Advances	31,75,76,881	30,28,10,796
<b>Total</b>	<b>1,78,50,92,317</b>	<b>1,62,91,15,085</b>

## Note No 13. Other current assets

Particulars	As at March 31,2023	As at March 31,2022
Prepaid expenses	6,14,93,026	6,09,68,715
Deposits	56,82,191	1,15,57,448
Others	44,98,53,306	45,10,30,165
<b>Total</b>	<b>51,70,28,523</b>	<b>52,35,56,328</b>





## Note No 14. Equity share capital

a)

Particulars	As at March 31,2023	As at March 31,2022
<b>Authorised</b>		
12,00,00,000 (March 31, 2022: 12,00,00,000 ) equity shares of Rs 5/- each	60,00,00,000	60,00,00,000
<b>Issued, subscribed and paid-up capital</b>		
9,65,30,799 (March 31, 2022: 9,64,95,800 ) equity shares of Rs 5/- each fully paid	48,26,53,995	48,24,79,000
	48,26,53,995	48,24,79,000

**b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:**

Particulars	As at March 31,2023		As at March 31,2022	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,64,95,800	48,24,79,000	9,63,82,468	48,19,12,340
Add: Shares issued on exercise of employee stock options	34,999	1,74,995	1,13,332	5,66,660
Add: Bonus shares issued *			-	-
Number of shares outstanding at the end of the period	9,65,30,799	48,26,53,995	9,64,95,800	48,24,79,000

## c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 5 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31,2023		As at March 31,2022	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,07,54,356	42.23%	4,07,54,356	42.23%
2.Kellton Wealth Management LLP	71,83,384	7.44%	71,83,384	7.44%



\* The share holding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members

e) In the period of five years immediately preceding March 31, 2022:

i) The Company has allotted 4,81,91,234 fully paid up equity shares during the quarter ended March 31, 2018, pursuant to 1:1 bonus share issue approved by shareholders passed through Postal Ballot concluded on 19.03.2018

ii) The Company has not bought back any equity shares.

iii) The Company has not allotted any equity shares as fully paid up without payment being received in cash

**f) Details of shares held by promoters at the end of the year 31st Mar,2023**

Promoter name	No of Shares at the beginning of the year	Changes during the year	No. of Shares at the end of the year	%of total shares	% Change during the year
Krishna Reddy Chintam	11,42,286	-	11,42,286	1.18%	0.00%
Sreevidya Chintam	9,02,776	-	9,02,776	0.94%	0.00%
Mohana Reddy Chintam	3,28,552	-	3,28,552	0.34%	0.00%
Lakshmi Chintam	20,770	-	20,770	0.02%	0.00%
Kellton Wealth Management LLP	71,83,384	-	71,83,384	7.44%	0.00%
Matnic Finvest LLP	4,07,54,356	-	4,07,54,356	42.23%	0.00%
<b>Total</b>	<b>5,03,32,124</b>	<b>-</b>	<b>5,03,32,124</b>	<b>52.16%</b>	<b>0.00%</b>

**Details of shares held by promoters at the end of the year 31st Mar,2022**

Promoter name	No of Shares at the beginning of the year	Changes during the year	No. of Shares at the end of the year	%of total shares	% Change during the year
Krishna Reddy Chintam	11,42,286	-	11,42,286	1.18%	0.00%
Sreevidya Chintam	9,02,776	-	9,02,776	0.94%	0.00%
Mohana Reddy Chintam	3,28,552	-	3,28,552	0.34%	0.00%
Lakshmi Chintam	20,770	-	20,770	0.02%	0.00%
Kellton Wealth Management LLP	89,33,384	17,50,000	71,83,384	7.44%	-1.82%
Matnic Finvest LLP	4,25,04,356	17,50,000	4,07,54,356	42.23%	-1.87%
<b>Total</b>	<b>5,38,32,124</b>	<b>35,00,000</b>	<b>5,03,32,124</b>	<b>52.16%</b>	<b>-3.69%</b>



## Note No 15. Other equity

Other equity	As at March 31,2023	As at March 31,2022
<b>a) Capital reserve</b>		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	21,16,62,470	19,82,65,210
<b>b) Security premium</b>		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	13,42,39,483	13,34,67,753
<b>c) General reserve</b>		
This represents appropriation of profit by the Company.	1,17,97,477	1,17,97,477
<b>d) Retained earnings</b>		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	2,91,01,16,938	3,93,54,33,238
<b>e) Share option outstanding account</b>		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees in case of forfeiture corresponding balance is transferred to general reserve.	2,05,17,871	1,69,58,253
<b>f) Other items of other comprehensive income</b>	(4,07,65,922)	83,71,647
<b>Total</b>	<b>3,24,75,68,317</b>	<b>4,30,42,93,578</b>

## NON- CURRENT LIABILITIES FINANCIAL LIABILITIES

### Note No 16. Borrowings

Particulars	As at March 31,2023	As at March 31,2022
(Long Term and Secured)		
Vehicle Loans		
a) ICICI Bank Ltd	-	3,05,352
b) Bank of America	2,95,362	2,72,335
c) Kotak Mahindra Bank Ltd	9,63,388	23,27,137
Loan - Indusind Bank	4,15,66,012	1,01,19,130
Loan-Indusind Bank (SBLIC)	31,47,14,403	-
Bandhan term Loan	1,33,33,334	2,66,66,667
IndusInd Term Loan	16,64,958	49,94,872
Kotak Term Loan	5,30,87,173	8,76,59,207
<b>Total</b>	<b>42,56,24,630</b>	<b>13,23,44,700</b>



\*Secured long term borrowings represent the amounts received from Banks as summarized below

Lender	Rate of Interest	Security
ICICI Banks	9.5%	Vehicle
Kotak Mahindra Bank Limited	7.5%	Vehicle
Bank of America	6.5%	Vehicle
Indusind Bank	1 Year MCLR+ 0.70%	Pari Pasu charge with Bandhan bank

## Note No 17. Other financial liabilities

Particulars	As at March 31,2023	As at March 31,2022
Acquisition contingent payout	18,80,213	8,80,28,198
<b>Total</b>	<b>18,80,213</b>	<b>8,80,28,198</b>

## Note No 18. Other non-current liabilities

Particulars	As at March 31,2023	As at March 31,2022
Other liabilities	35,21,655	1,37,22,628
<b>Total</b>	<b>35,21,655</b>	<b>1,37,22,628</b>

## Note No 19. Provisions : Other Long Term Provisions

Particulars	As at March 31,2023	As at March 31,2022
Provision for employee benefits		
Gratuity	4,52,88,307	3,44,64,348
<b>Total</b>	<b>4,52,88,307</b>	<b>3,44,64,348</b>

## Note No 20. Deferred tax liability (net)

Particulars	As at March 31,2023	As at March 31,2022
<b>Deferred tax liabilities</b>		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	3,17,26,339	3,30,21,188
<b>Total Deferred tax liabilities</b>	<b>3,17,26,339</b>	<b>3,30,21,188</b>
<b>Deferred tax assets</b>		
Provision for doubtful debts	-	-
Provision for gratuity and leave encashment	(1,21,66,759)	(92,65,006)
Right of use asset and lease liability	(14,27,195)	(1,51,410)
Mat credit	-	-
<b>Total Deferred tax assets</b>	<b>(1,35,93,954)</b>	<b>(94,16,416)</b>
<b>Deferred tax liability after set off</b>	<b>1,81,32,385</b>	<b>2,36,04,772</b>



## Note No 21. Lease Liabilities

Particulars	As at March 31,2023	As at March 31,2022
Opening balance	7,57,41,386	7,96,51,066
Additions	13,81,62,168	4,28,05,264
Add: Interest recognized during the year	1,18,09,059	34,47,140
Less: Payments made	(6,48,76,775)	(5,14,90,690)
Adjustment on account of lease modification	(3,89,37,238)	-
Translation exchange difference	24,06,505	13,28,606
<b>Total</b>	<b>12,43,05,104</b>	<b>7,57,41,386</b>

## CURRENT LIABILITIES FINANCIAL LIABILITIES

## Note No 22. Borrowings

Particulars	As at March 31,2023	As at March 31,2022
(Short Term and Secured)		
Working Capital Loan : Bandhan Bank	22,47,17,798	23,63,88,096
Working capital Line of Credit: Alostar	70,27,49,755	68,14,34,969
<b>Total</b>	<b>92,74,67,553</b>	<b>91,78,23,065</b>

Short term borrowings represent the amounts received from Banks as summarized below

Lender	Nature of facility	Rate of interest
Bandhan Bank	Cash Credit	12.10% p.a
Alostar	Working Capital	LIBOR + 2.75%

## Note No 23. Trade Payables

Particulars	As at March 31,2023	As at March 31,2022
Trade Payables for goods and services	20,13,96,904	15,12,98,231
<b>Total</b>	<b>20,13,96,904</b>	<b>15,12,98,231</b>

Trade Payable ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Others	19,74,54,112	39,42,792			20,13,96,904
<b>As at March 31,2023</b>	<b>19,74,54,112</b>	<b>39,42,792</b>	<b>-</b>	<b>-</b>	<b>20,13,96,904</b>



Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Others	11,58,43,004	3,54,55,227	-	-	15,12,98,231
<b>As at March 31,2022</b>	<b>11,58,43,004</b>	<b>3,54,55,227</b>	-	-	<b>15,12,98,231</b>

## Note No 24. Other current financial liabilities

Particulars	As at March 31,2023	As at March 31,2022
Current maturities of long-term debt*	14,25,38,135	9,72,15,506
Interest accrued but not due on borrowings*	13,738	20,264
<b>Total</b>	<b>14,25,51,873</b>	<b>9,72,35,770</b>

\*The details of interest rates,repayment and other terms are disclosed under note 16

## Note No 25. Other current liabilities

Particulars	As at March 31,2023	As at March 31,2022
Statutory dues payable	7,64,23,270	7,63,47,326
Dividend Payable	4,88,181	4,90,516
Advances received from customers	44,64,546	41,16,483
Others	3,63,57,376	3,14,80,212
<b>Total other current liabilities</b>	<b>11,77,33,373</b>	<b>11,24,34,537</b>

## Note No 26. Provisions : Other Short Term Provisions

Particulars	As at March 31,2023	As at March 31,2022
Provisions for employees benefits	12,95,96,099	15,86,02,437
Accrued Expenses	9,72,22,806	9,64,99,315
<b>Total</b>	<b>22,68,18,905</b>	<b>25,51,01,752</b>

## Note No 27. Revenue from operations

for the year ended

Particulars	March 31,2023	March 31,2022
Revenue from operations (net)		
Software Services	9,13,85,36,248	8,39,04,84,440
Maintenance Services	3,47,21,819	3,62,28,033
<b>Total</b>	<b>9,17,32,58,067</b>	<b>8,42,67,12,473</b>



## Note No 28. Other income

for the year ended

Particulars	March 31,2023	March 31,2022
Foreign exchange gain/ (loss)	2,05,92,878	70,67,857
Interest income on financial assets at amortised cost	5,86,466	12,99,366
Interest received	10,69,107	19,43,889
Miscellaneous Income	-	16,59,629
<b>Total</b>	<b>2,22,48,451</b>	<b>1,19,70,741</b>

## Note No 29. Cost of Material Consumed

for the year ended

Particulars	March 31,2023	March 31,2022
Purchase of Stock in trade	31,34,033	2,46,18,684
Opening Stock	1,20,332	1,20,332
(Less): Closing stock	-	(1,20,332)
<b>Total</b>	<b>32,54,365</b>	<b>2,46,18,684</b>

## Note No 30. Employee benefits expense

for the year ended

Particulars	March 31,2023	March 31,2022
Salaries and wages	4,43,03,47,267	4,14,87,44,579
Gratuity Expense	1,60,40,364	1,17,48,564
Contribution to provident and other funds	2,73,05,253	2,15,83,655
Employee stock compensation expenses	35,59,619	(73,74,534)
Staff welfare expenses	15,84,33,316	12,89,19,999
<b>Total</b>	<b>4,63,56,85,819</b>	<b>4,30,36,22,263</b>

## Note No 31. Finance costs

for the year ended

Particulars	March 31,2023	March 31,2022
Interest expense	8,18,89,671	8,50,44,566
Finance Cost on Lease	1,18,09,059	34,47,140
Other borrowing cost	2,06,96,547	2,70,37,398
<b>Total</b>	<b>11,43,95,277</b>	<b>11,55,29,104</b>



## Note No 32. Depreciation and amortization expense

for the year ended

Particulars	March 31,2023	March 31,2022
On property, plant and equipment	3,18,74,095	2,60,29,751
On other intangible assets	5,91,25,402	4,55,05,241
On Right-of-use assets	5,36,01,910	3,78,07,953
<b>Total</b>	<b>14,46,01,407</b>	<b>10,93,42,945</b>

## Note No 33. Other expenses

for the year ended

Particulars	March 31,2023	March 31,2022
Professional Fee	19,84,83,959	15,55,38,331
Subcontracting Expenses	2,96,69,00,579	2,45,33,33,849
Rent	1,20,80,672	2,79,85,147
Travelling and Conveyance	10,73,39,457	6,10,86,589
Internet and web hosting	4,05,16,847	2,92,99,099
Repairs and maintenance	7,23,35,646	4,28,27,644
Sales and Marketing	2,98,62,517	1,80,15,227
Printing & Stationery	9,58,394	6,42,267
Rates and taxes	1,27,468	20,74,376
CSR Contributions	23,32,140	15,97,308
Subscription fees and licences renewal cost	2,46,34,782	1,20,62,227
Exchange fluctuations Loss	1,45,63,995	65,37,178
Provision for doubtful debts	-	(17,86,428)
Bad Debts	75,91,892	6,87,44,146
Other Miscellaneous expenses	10,84,54,372	16,48,80,186
Auditor Remuneration for subsidiary companies	1,31,15,062	80,21,939
<b>Auditor Remuneration</b>		
a) Statutory Audit fee	2,50,000	2,50,000
b) Taxation	50,000	50,000
<b>Total</b>	<b>3,59,95,97,782</b>	<b>3,05,11,59,085</b>

## Note No 34. Earnings per Share

Particulars	March 31,2023	March 31,2022
Numerator for EPS		
Net Profit after tax (A)	(1,30,88,54,323)	71,28,22,798
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,65,30,799	9,64,95,800
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	9,67,55,483	9,65,71,639
Basic and diluted Earnings Per Share (A)/(B)	(13.56)	7.39
Diluted Earnings Per Share (A)/(C)	(13.53)	7.39





## Note No 35.

### a) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.52% (31-March-2023-7.52% and 31-March-2022 – 7.36%). The retirement age has been considered at 58 years

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the Balance Sheet for the respective plans.

#### for the period ending

Particulars	March 31,2023	March 31,2022
Present Value of Obligation as at beginning	3,62,31,918	3,15,40,299
Current Service Cost	67,76,185	49,29,193
Interest Expense Cost	24,28,159	20,23,664
Change in financial assumptions	19,70,413	(22,61,238)
<b>Present Value of Obligation as at the end</b>	<b>4,74,06,676</b>	<b>3,62,31,918</b>

### Bifurcation of Net Liability

Particulars	As on	
	As at March 31,2023	As at March 31,2022
Current Liability (Short-term)	21,18,369	17,67,570
Non-Current Liability (Long-term)	4,52,88,307	3,44,64,348
<b>Total Liability</b>	<b>4,74,06,676</b>	<b>3,62,31,918</b>

### b) Leave Encashment:-

Since leave encashment claims are settled on year-to-year basis, no actuarial valuation needs to be obtained.

## Note No 36. Leases

The Company's lease asset classes primarily consist of leases for land and buildings. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured



with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## The changes in the carrying value of ROU assets for the year ended are as follows

(Amount in Lacs)

for the year ended

Particulars	March 31,2023	March 31,2022
<b>Balance at the beginning</b>	<b>667.19</b>	<b>606.81</b>
Additions	1282.03	428.05
Adjustment on account of lease modification	(309.14)	-
Depreciation	(536.02)	(378.08)
Translation exchange difference	29.07	10.41
<b>Balance at the end</b>	<b>1133.13</b>	<b>667.19</b>

## The movement in lease liabilities during the year ended as follows:

(Amount in Lacs)

for the year ended

Particulars	March 31,2023	March 31,2022
<b>Balance at the beginning</b>	<b>757.41</b>	<b>796.51</b>
Additions	1381.62	428.05
Finance cost accrued during the period	118.09	34.47
Adjustment on account of lease modification	(389.37)	-
Payment of Lease Liabilities	(648.76)	(514.91)
Translation exchange difference	24.06	13.29
<b>Balance at the end</b>	<b>1243.05</b>	<b>757.41</b>

## Note No 37. Related Party Disclosures

### I) RELATED PARTY WITH WHOM TRANSACTIONS HAVE TAKEN PLACE

- i ) Mr. Niranjan Chintam - Chairman and CFO
- ii) Mr. Krishna Chintam - Managing Director and CEO
- iii) ) Mr. Karanjit Singh- Executive Director

### II) KEY MANAGEMENT PERSONNEL

- a) Mr Niranjan Chintam - Chairman and CFO
- b) Mr Krishna Chintam - Managing Director and CEO
- c) Mr Karanjit Singh- Executive Director
- d) Ms. Rahul Jain(w.e.f July-2022 ) & Surabhi Jain(Apr-2022 to July-2022)-Company Secretary.

### III) RELATIVE OF KEY MANAGEMENT PERSONNEL

Ms. Sree Vidya Chintam- Wife of Mr. Niranjan Chairman



## IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transactions	Particulars	As at March 31,2023	As at March 31,2022
Rent paid for office building	Relative of Key Management personnel	2,01,01,464	1,91,44,248

## V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

Particulars of Remuneration	For the year ended	
	As at March 31,2023	As at March 31,2022
Short Term employee benefits	1,20,73,571	1,21,46,310
Share-based payment transactions	Nil	Nil
Total compensation paid to key management personnel	1,20,73,571	1,21,46,310

\* The above post-employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

## VI) OUTSTANDING BALANCES

Particular	Name of Party	As at March 31,2023	As at March 31,2022
Security Deposit	Sree Vidya Chintam	25,85,000	25,85,000

## Note No 38. Employee stock option plan (ESOPS)

The company instituted Kellton Tech Solutions employee stock option, which was approved by shareholders at 19th AGM i.e 27-Dec-2013. The options granted under the ESOP scheme of the Company shall vest only if till the employee serves the Company. Company has made 12 grants under this scheme as of now.

Details of the grant/issue are given below

Particulars	For the year ended	
	As at March 31,2023	As at March 31,2022
Options outstanding at the beginning of the year	1301839	524028
Granted during the year	-	1257500
Vested during the year	419161	319162
Exercised during the year	34999	113332
Lapsed or Forfeited during the years	84337	366357
Options outstanding at the end of the year	1182503	1301839
Options vested and exercisable at the end of the year	629993	330168

The financial entries pertaining to ESOPS are subject to reconciliation after considering the terms and conditions of issue of ESOPS.



## Note No 39. Segment Reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company shall disclose segment information only on the basis of consolidated financial statements which are presented together with the standalone financial statements.

(Amount in Rs.)

<b>Revenue</b>	<b>March 31,2023</b>	<b>March 31,2022</b>
Digital Transformation	7,51,79,52,021	6,89,18,42,207
Enterprise Solutions	1,29,23,37,600	1,19,48,98,845
Consulting	36,29,68,446	33,99,71,421
<b>Total</b>	<b>9,17,32,58,067</b>	<b>8,42,67,12,473</b>
<b>Identifiable expense</b>		
Digital Transformation	5,30,14,80,352	4,75,75,68,490
Enterprise Solutions	1,03,33,96,730	94,28,12,985
Consulting	28,73,71,994	26,68,12,543
<b>Total</b>	<b>6,62,22,49,076</b>	<b>5,96,71,94,018</b>
<b>Segmental result</b>		
Digital Transformation	2,21,64,71,669	2,13,42,73,717
Enterprise Solutions	25,89,40,870	25,20,85,860
Consulting	7,55,96,452	7,31,58,878
<b>Total</b>	<b>2,55,10,08,991</b>	<b>2,45,95,18,455</b>
Unallocable Expenses	1,76,08,90,297	1,52,15,48,959
<b>Operating income</b>	<b>79,01,18,694</b>	<b>93,79,69,496</b>
Finance Charges	11,43,95,277	11,55,29,104
Other Income	2,30,27,662	1,20,91,689
<b>Exceptional Items</b>	<b>1,84,14,90,892</b>	-
<b>Profit before taxes</b>	<b>(1,14,27,39,813)</b>	<b>83,45,32,081</b>
Taxes	12,53,48,588.00	13,00,80,930
<b>Profit after taxes</b>	<b>(1,26,80,88,401)</b>	<b>70,44,51,151</b>

## Note No 40. Acquisitions and Disinvestment

During the year there is no acquisitions and dis investments.

**Note No 41.** Company has not made any default in loan repayment and no over due's are outstanding

## Note No 42. Contingent liabilities

Contingent liabilities as at 31-March-2023 is Nil (previous year- Nil).



## Note No 43. Exceptional Items

\*\* This Includes Goodwill de-recognition- The company acquired companies in different jurisdictions, each with its own brand name. When the contracts with these subsidiaries ended, the company moved to the Kellton brand. The One Kellton brand has become popular over the years and is now used in all jurisdictions where the subsidiary companies operate.

The company reviewed the economic benefits flowing from the acquired brands and found that the brand values reflected in the books of Kellton Tech Inc (USA), Kellton Tech Solutions Inc(USA) and Kellton Tech Solutions (Ireland) as goodwill have no economic value going forward.

In view of this, and with reference to IND 38, Para 112, the board decided to write off the related brand value in the books of Kellton Tech Inc (USA), Kellton Tech Solutions Inc(USA) and Kellton Tech Solutions (Ireland) amounting to \$22.90 MN.

**Note No 44.** Kellton Tech Solutions Inc (USA), Kellton Tech Inc (USA) are 100% subsidiaries of Kellton Tech Solutions Ltd (India) have been audited by other auditors as on 31st Dec.2022.Financial statement have prepared considering audited figures up to 31st Dec.2022 and unaudited figures from Jan.2023 to Mar.2023. And Kellton Dbydx Private Limited are 100% subsidiaries of Kellton Tech Solutions Ltd (India) have been audited by other auditors as on 31st Mar.2023.

In addition, Kellton Tech Limited (Ireland) a 100% subsidiary of Kellton Tech Solutions Ltd (India) audit has not been completed. This entities statements/financial information reflect a total assets of Rs. 2,65,67,49,891 total revenue of Rs 80,40,69,124 and net income of Rs (17,92,58,923)for the 12 month period ending Mar 31, 2023.

## Note No 45. Corporate social responsibility

The Company has incurred an expenditure on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013.

Particulars	Year Ended March 31,2023	Year Ended March 31,2022
a) Gross amount required to be spent by the company	22,12,690	20,49,917
b) Amount of expenditure incurred	23,32,140	15,97,308
c) Short fall at the end of the year	-	4,52,609
d) Total of previous year shortfall	-	-
e) Reason for short fall	-	-
f) Nature of CSR Activities	Promoting Education, Ensuring Environmental sustainability, Corona Relief	Promoting Education, Ensuring Environmental sustainability, Corona Relief
g) Details of related party transactions	-	-
h) Details of Provision made for liability incurred by entering into contractual obligation	-	-



**NOTE NO 46.** Inventory consists of only bought out items pertaining computer peripherals required for execution of projects.

**NOTE NO 47.** Previous year's figures have been regrouped where necessary to conform to current year's classification.

## Note No 48 Analytical Ratios

Particulars	Numerator	Denominator	Ratio		Variance	Reasons for > 25 % variance
			As at 31-03-2023	As at 31-03-2022		
<b>a)</b> Current Ratio	Current Assets	Current Liabilities	3.20	3.00	9.2%	
<b>b)</b> Debt-Equity Ratio	Total Debt	Shareholders Equity	2.80	2.18	28.8%	Increase in Borrowings
<b>c)</b> Debt-Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	7.10	8.22	-13.6%	
<b>d)</b> Return on Equity Ratio	Net Profit after Taxes	Average Shareholders Equity	-29.78%	15.67%	-290.1%	Good will Written-off
<b>e)</b> Inventory Turn-over Ratio	Sales	Inventory	0.00	0.00	0.0%	
<b>f)</b> Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.83	3.93	-2.7%	
<b>g)</b> Trade Payables Turnover Ratio	Purchases of Services and other Expenses	Average Trade Payables	20.43	19.65	4.0%	
<b>h)</b> Net Capital Turnover Ratio	Net Sales	Average Working Capital	2.75	3.04	-9.4%	
<b>i)</b> Net Profit Ratio	Net Profit	Net Sales	-13.80%	8.30%	-265.2%	Good will Written-off
<b>j)</b> Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed	18.68%	18.43%	1.4%	
<b>k)</b> Return on Investment	Income generated from Investments	Time Weighted Average Investments	-	-	-	



## UPDATION OF PAN & BANK DETAILS FOR MEMBERS HOLDING SHARS IN PHYSICAL FORMAT

Dear Shareholder,

**Ref: Shares held in KELLTON TECH SOLUTIONS LIMITED**

**SUB: UPDATION OF PAN & BANK DETAILS FOR MEMBERS HOLDING SHARES IN PHYSICAL FORMAT – RE  
G**

-----

We draw your attention to the circular issued by securities and exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20/04/2018. SEBI, in point no. 12 (ii) of the Annexure to its circular had directed all the listed companies to send a communication to all its shareholders through their Registrars and Transfer agents (RTA), who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first/ sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, Issuer Companies and Bankers to Issue.

**To enable us to update the PAN and Bank account details, we, being RTA to the above referred company request you to kindly submit the following documents within 21 days of this letter:**

- Copy of self-attested PAN card of the shareholders including joint holders, if any in the format attached
- Bank A/C details of the first/sole shareholder, as per the Bank Mandate format attached
- Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank

On receipt of the above documents, we will update the same in our records.

In case of dividend declarations by the company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under section 124 (6) of the Companies Act 2013, if dividends remain unpaid / unclaimed for a period of seven consecutive years then the underlying shares are also liable to be transferred to the A/c of IEPF authority. We request you to kindly arrange to send us the first/sole shareholders email Id for sending future communications as per the format attached. Hence we request you to kindly submit the documents sought immediately.



We refer to SEBI Notification no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 for amendment to SEBI(LODR) regulation that "NO PHYSICAL TRANSFER OF SHARES WITH EFFECT FROM December 5, 2018". All the transfers henceforth shall be through demat only. The duly filled up enclosed form with enclosures shall be sent to our Registrars & share transfer agents to the address as mentioned below:

**XL Softech Systems Ltd.,**

Unit: The Andhra Sugars Ltd.,  
3, Sagar Society,  
Road No.2, Banjara Hills,  
Hyderabad – 500 034.

Thanking you,

Yours sincerely

For **Kellton Tech Solutions Limited**

**Sd/-**

**Ms. Rahul Jain**

Company Secretary





## PAN MANDATE FORM

NAME OF THE COMPANY	KELLTON TECH SOLUTIONS LIMITED
FOLIO NO.	

First/Sole Shareholder Name	PAN1													
First Jt. Holder Name	PAN2													
Second Jt. Holder Name	PAN3													

(SELF-ATESTED COPIES OF PAN CARD ENCLOSED HEREWITH)  
NACH MANDATE FORM

Name of the Bank														
Branch Name & Address														
Bank A/c Type (SB A/c/ Current A/C)														
Bank A/c No.														
Bank MICR ECS code No														
Bankers IFSC Code														

(ORIGINAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

## EMAIL REGISTRATION FORM

Email ID														
Telephone No. / Mobile No.														

I hereby

- a. State that the particulars of PAN and Bank account details are correct and complete/
- b. Authorize the company/RTA to credit my dividend on the shares held by me directly to my above bank account mentioned herein above.
- c. Convey my consent to receive all communications, Annual Report/ Notice of the Meetings and from the company through Email rather than hard copy.

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER: .....



Visit us at: [www.kellton.com](http://www.kellton.com)

Stay Connected:

