

To

The General Manager, Listing Department, BSE 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/Madam,

**Sub: Circulation of the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for the Financial year ended, March 31, 2024 to the Shareholders of the Company**

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, the Notice of the 30<sup>th</sup> Annual General Meeting (AGM), which is scheduled to be held on Monday, September 30, 2024 at 11:00 am (IST) through Video Conferencing (VC) together with the Annual Report for FY 2023-24, is being despatched through e-mails today to all the members whose name appear in the Register of Members as on August 30, 2024.

The Notice and Annual Report 2024 have been uploaded on the website of the Company, as per the following details:

<b>1. Notice</b>	<a href="#">Notice of 30th Annual General Meeting</a>
<b>2. Annual Report</b>	<a href="#">Annual Report 2023-2024</a>

The following are the events in connection with the AGM and e-voting:

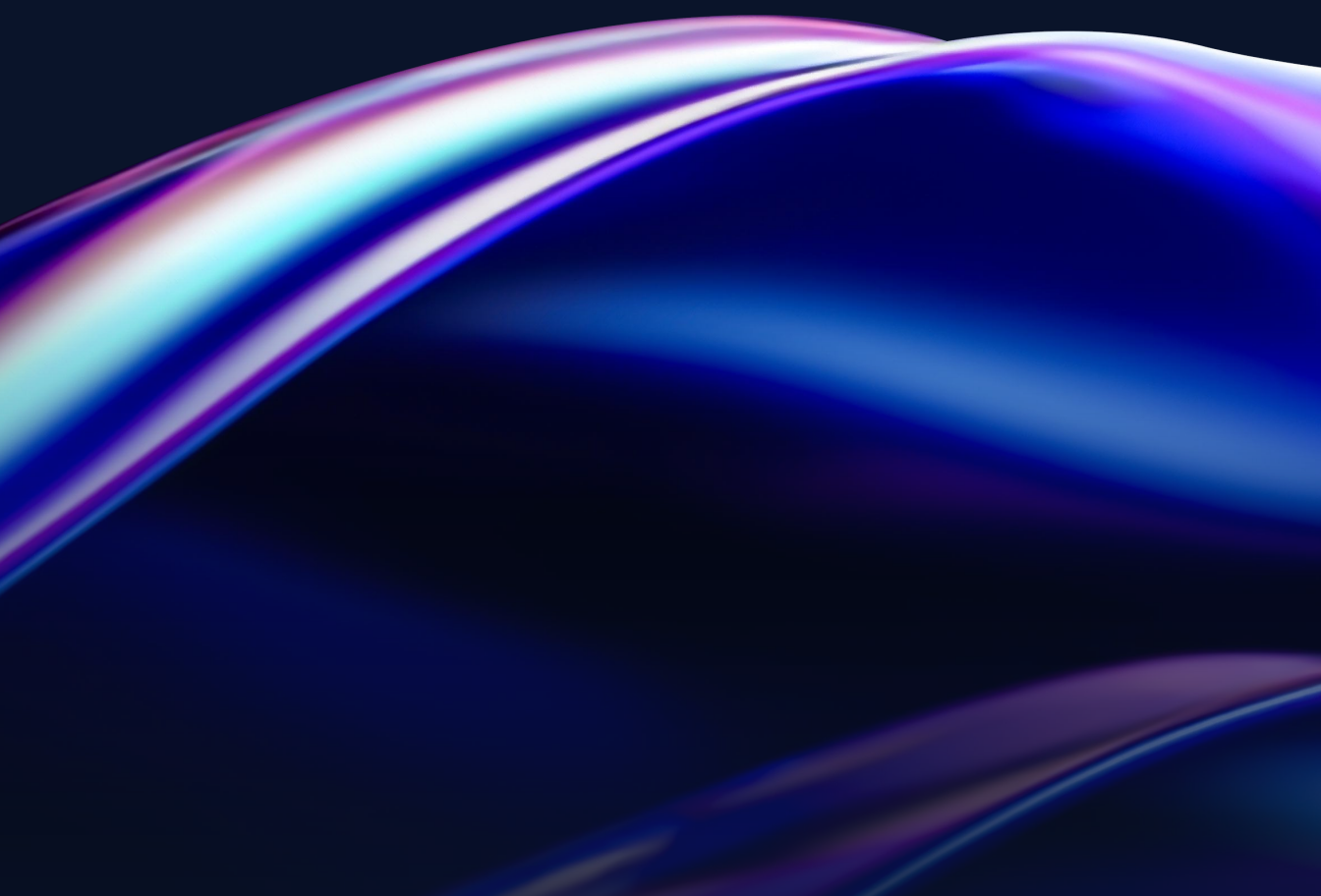
<b>Particulars</b>	<b>Details</b>
Date and time of AGM	Monday, September 30, 2024 at 11:00 AM
Mode of AGM	Video Conference (VC)
Link for participation through VC	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
Cut-off date for e-voting	Friday, September 20, 2024
E-voting start date and time	09.00 (IST) a.m. on Friday, September 27, 2024
E-voting end date and time	05.00 p.m. (IST) on Sunday, September 29, 2024
Link for e-voting website of NSDL	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>

This is for your information and record.

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

**Rahul Jain**  
**Company Secretary & Compliance Officer**  
**Membership No: 62949**  
**Date: September 07, 2024**  
**Place: Hyderabad**

# Infinite Possibilities with Technology





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# Message from the Chairman's Desk



## Dear Shareholders,

I am pleased to present our annual report for the financial year 2023-24. This report encapsulates our journey through a year marked by economic turbulence and shifting market demands, demonstrating how we adeptly navigated these challenges while remaining committed to our vision of empowering clients to unlock limitless opportunities with technology.

The macroeconomic and geopolitical challenges prompted businesses worldwide to adopt a more cautious approach, leading to a contraction in global IT expenditure. This decline in IT spending resulted in a challenging demand environment and a recalibration of strategies by technology companies. Despite these adversities, Kellton exhibited a remarkable ability to swiftly adapt to evolving market conditions and transform setbacks into opportunities.

I am deeply impressed by how our team embraced these new market realities while maintaining a relentless focus on client success. I also extend my sincere gratitude to our clients for their unwavering trust and commitment to our shared objectives.

Over the past year, while continuing to support our clients' industry successes, we strategically pivoted toward Artificial Intelligence (AI) and Generative AI (GenAI). We believe that challenges fuel innovation and creativity, and we view the rapidly evolving technology landscape as an opportunity to pioneer new solutions. To bolster our capabilities in AI, we formed strategic partnerships with leading hyperscalers and provided comprehensive AI training to our team.

Artificial Intelligence (AI) is transforming the IT landscape by embedding cutting-edge capabilities at the core of business operations. At Kellton, our AI-first strategy is a catalyst for this change, driving innovation and helping our clients achieve exceptional levels of efficiency and strategic differentiation. We partner closely with our customers to seamlessly integrate AI into their digital ecosystems, enhancing their operations with sophisticated data analytics, intelligent automation, and tailored AI-driven solutions. This deep integration not only delivers valuable insights and streamlines day-to-day tasks but also positions our clients to excel in a rapidly evolving digital environment. Our focus on AI as a central pillar of digital transformation has positioned us as a key player in the AI space, generating strong client interest and reinforcing our status as pioneers in this dynamic field.



Our focused approach to solving our clients' most formidable challenges through innovative technology solutions and deep industry expertise helped us secure several prestigious awards and analyst accolades, further underscoring our leadership and vision in the technology sector. In 2023, Kellton debuted in Avasant's SAP S/4 HANA Services 2023-2024 RadarView™, highlighting the business value we create for our customers who approach us to streamline their ERP functions. We also secured a feature in a prestigious report for our Software Product Engineering Services, highlighting our strategic foresight and ability to innovate within key verticals, setting us apart in the competitive landscape. Additionally, we made a consecutive appearance in the Zinnov Zones Ratings for our Digital Engineering practice. These accolades affirm our position as a forward-thinking leader in technology and further reinforce our dedication to driving impactful solutions for our clients.

The cornerstone of our client success is our people. We are dedicated to cultivating a positive and supportive work culture that empowers our employees to reach their full potential. By fostering an engaging environment, we ensure that our team is well-positioned to contribute meaningfully to our collective success. To equip our workforce for the future, we introduced a large-scale AI training initiative focused on Generative AI fundamentals and advanced AI technologies, including GitHub Copilot. This initiative underscores our commitment to continuous growth and provides ample opportunities for our global technologists to enhance their skills and drive impactful outcomes for our clients.

As of the end of FY24, our total headcount grew to 1,673 with a notable decrease in attrition. This exceptional retention rate underscores our effective strategies for maintaining a motivated and dedicated workforce.

We have grown steadily during this financial year, and many high-frequency indicators that we monitor are improving. Our revenues stand at Rs 984.7 crores with an EBITDA of Rs 106.3 crores. Our EBITDA margins stand at 10.8%, which suggests increased labor costs. The PAT margin is 6.5%, and the EPS, on the other hand, is pegged at Rs 6.58 per share.

## Key Financial Highlights of FY23-24

1. A top-line growth rate of about 7.10% has been achieved.
2. An EBITDA of more than Rs 100 crores was achieved.
3. A net profit of Rs 64 crores was generated at an 6.5% margin.

## Future outlook

In an environment characterized by cautious client expenditure, Kellton remains steadfast in its commitment to enhancing its value proposition and establishing itself as the preferred partner for transformative technology solutions. Our strategic focus on cross-selling and up-selling within our existing client base and a dedicated emphasis on our high-priority clients have yielded promising results, with multiple deal conversations and wins underway.

The recent completion of our integration activities marks a significant milestone, positioning us to capitalize on market recovery and solidify our leadership in the industry. Our robust order inflow and healthy deal pipeline are set to drive medium-term growth.

As we adapt to evolving market conditions, rapid technological advancements, and shifting customer expectations, we remain confident in our ability to align our clients' operational needs with their technological goals.

We are grateful for the steadfast support of our stakeholders, which is crucial to our collective success. Together, we will continue on a path of innovation, resilience, and comprehensive growth. We invite you to join us on this exciting journey of exploration and achievement.

**Niranjan Chintam**  
Executive Chairman  
Kellton



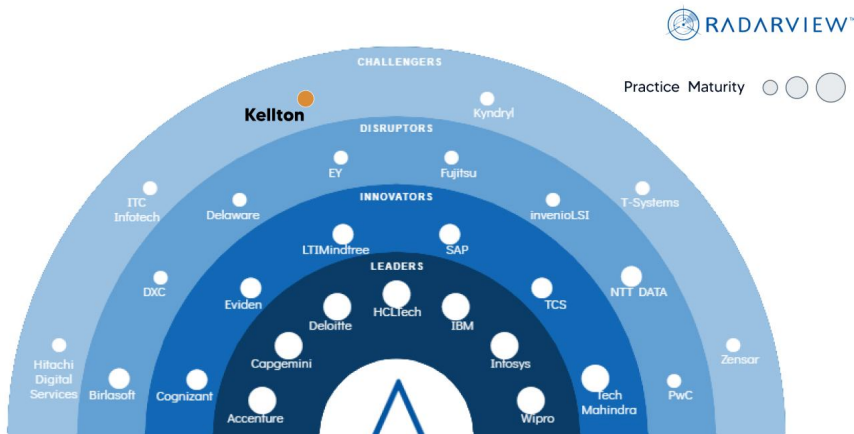
# Highlights for the Financial Year 2023-24

## 1. Debuted in Avasant’s SAP S/4 HANA Services 2023-2024 RadarView™

Avasant’s SAP S/4 HANA Services 2023-2024 RadarView™ features the best service providers in the SAP S/4 HANA services space. RadarView™ encompasses a detailed assessment of 27 industry-leading service providers and enables enterprises to identify the most suitable partner for SAP S/4 HANA adoption.

Our debut appearance in this year’s RadarView™ as a ‘Challenger’ speaks volumes about our unique strengths, our clients' trust in us, and the business value we’ve generated for our clients over all these years. It also highlights our proven track record in delivering cutting-edge SAP solutions and our ability to meet our clients' rising expectations. We are delighted to be recognized alongside some of the biggest industry giants in the SAP space and will continue to build on our SAP capabilities to help our clients, irrespective of where they are in their SAP S/4 HANA journey.

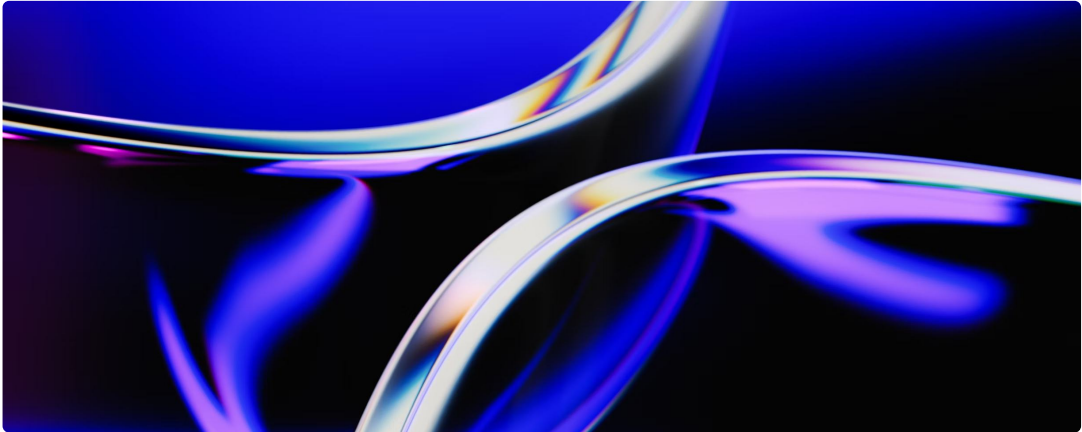
### SAP S/4HANA Services 2023-2024 RadarView™





## 2. Honored for our top-tier Software Product Engineering services

In the new macroeconomic environment, businesses seek more than just engineering talent from their providers - they need strategic partners who can help them drive increased savings, innovation, and speed. A recent report, in its fifth edition, assesses 43 Engineering Services providers globally, such as Accenture, Infosys, and Tech Mahindra, based on their product engineering capabilities, RFI responses from providers, interactions with the leadership, etc. We were recognized as an Aspirant in this prestigious report, underscoring our deep domain expertise and the lasting business value we generate for our customers. This recognition validates our strategic approach and relentless pursuit of innovation.



## 3. Bagged a multi-year, high-value project from India's largest insurance provider

Kellton was selected by the Life Insurance Corporation of India (LIC) to accelerate its digital transformation journey with its deep capabilities and experience in HR tech. Under this long-term collaboration, the Kellton team will work with the insurance company to transform its HRMS landscape, leveraging the cutting-edge capabilities of PeopleStrong's product.

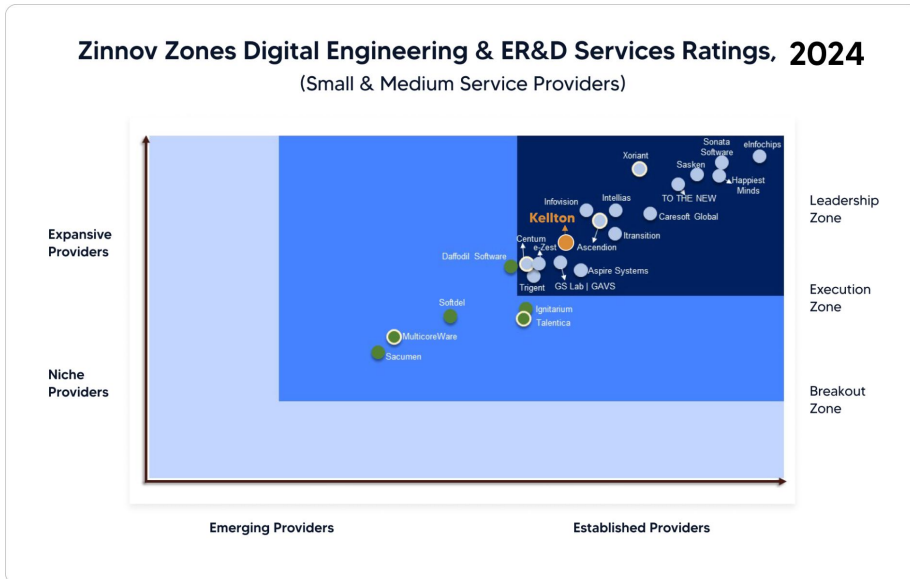
The engagement encompasses seamless data integration, ensuring smooth transition and optimization alongside legacy applications. The engagement will impact over 1,50,000 LIC employees, empowering them with advanced HR solutions that promise heightened efficiency and performance.





#### 4. Recognized as a leader in Zinnov Zones Ratings (Twice in a row)

Kellton continued to excel as a Leader in the Zinnov Zones Digital Engineering and ER&D Services Ratings for Small & Medium Service Providers. This accolade reflects our ongoing strength and innovation in Digital Engineering. Moreover, being recognized as a Leader in Experience Engineering and a "noteworthy player" in Consumer Software highlights our substantial progress in software solutions and platforms. These achievements reinforce our dedication to advancing the industry and maintaining our leadership in digital transformation.



#### 5. Introduced Design Studio, a new avenue for trailblazing, user-centric designs

In a landscape where exceptional customer experiences are more crucial than ever for business success, Kellton launched Design Studio to meet this demand. This offering connects businesses with elite UI/UX professionals specializing in creating user-centered designs that captivate and engage. Design Studio integrates our global talent with advanced design technologies and innovation engineers, ensuring clients receive tailored, cutting-edge solutions. Our comprehensive approach is geared towards enhancing brand identity and driving customer satisfaction through meticulously crafted, impactful user experiences.





## 6. Honored as one of the Best Tech Brands for 2023

Economic Times (ET) recognized Kellton as one of the Best Tech Brands for 2023, a significant honor that celebrates companies making substantial contributions to the technology sector. This award acknowledges organizations that have successfully transformed their digital strategies and delivered profound, industry-wide impacts.

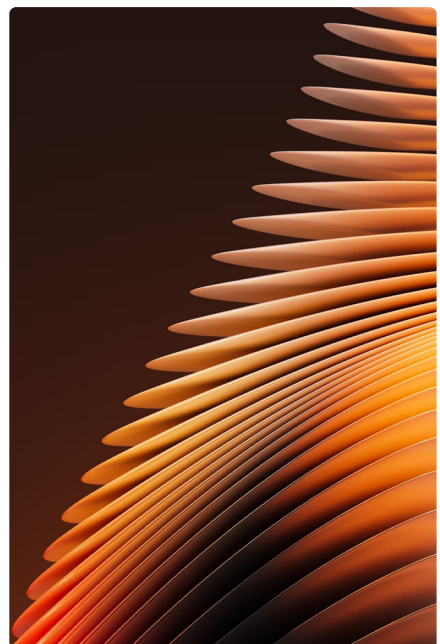
Being named a Best Tech Brand reflects our excellence in harnessing technology to revolutionize business operations and drive significant, sustainable change. This accolade is a testament to our innovative approach and strategic implementation at scale. It represents our ongoing commitment to advancing technological boundaries and exemplifies our role in shaping the future of the industry through exceptional, forward-thinking solutions.



## 7. Entrusted by the Karnataka Government to develop a human resource management system version 2.0

In the past, Kellton has successfully collaborated with several state governments to help them streamline and accelerate their digital transformations. The Karnataka government, recognizing Kellton's rich experience handling multi-year, high-value projects, chose Kellton to transform its human resources landscape.

This partnership will facilitate the development and rollout of HRMS Version 2.0, designed for over 600,000 state government employees. The upgraded HRMS 2.0 system will significantly enhance recruitment, cadre management, transfers, promotions, service records, leave management, and operational reporting. These improvements will provide employees with a more effective and user-centric experience.

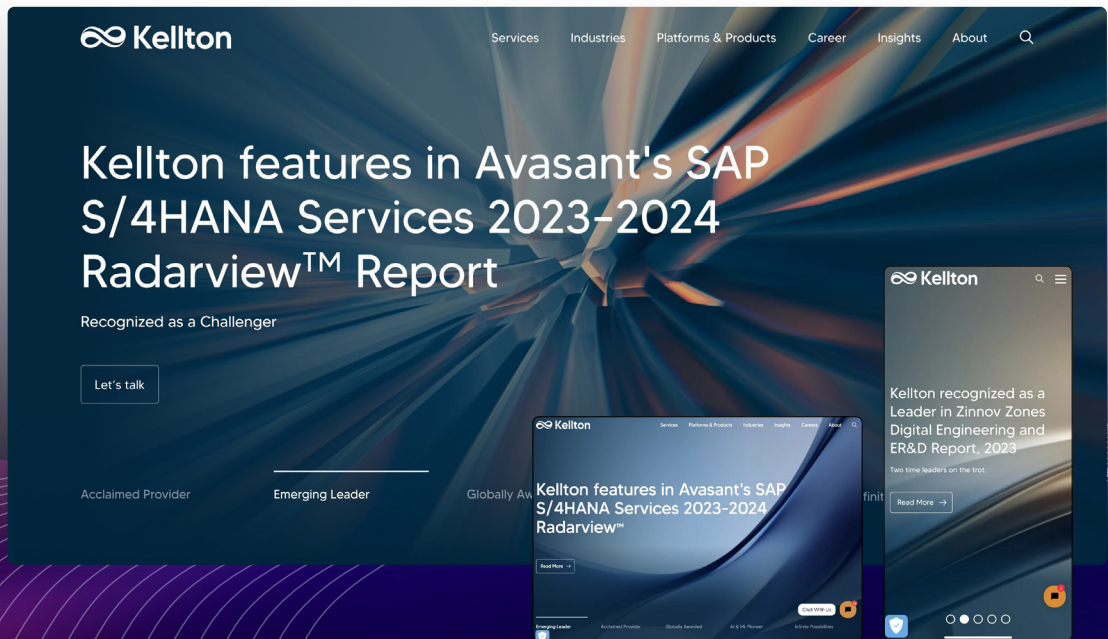




## 8. Kellton's brand makeover: Embracing a new identity

This year, Kellton reached a significant milestone by unveiling a new brand identity and a redesigned website, which underscore our unwavering dedication to innovation and modernization. Our refreshed visual identity merges boldness with accessibility, characterized by a vibrant color scheme, elegant typography, and a streamlined design that reflects our progressive approach.

The updated website effectively communicates Kellton's enhanced value proposition and showcases our evolved service portfolio, including AI and ML. This rebranding initiative reinforces our commitment to delivering advanced solutions and positions us to more effectively meet the evolving needs of our clients.



## 9. Secured a position in a distinguished SAP Ecosystem Report

Kellton was acknowledged as a product challenger in a respected SAP Ecosystem report, a reflection of our deep expertise in facilitating SAP S/4 HANA transitions. The report ranks leading vendors and service providers, guiding enterprises in selecting the ideal partners for their SAP needs.

This recognition affirms Kellton’s unique capabilities, extensive client base, and deep SAP domain expertise. With over 13 years of experience in SAP implementation and consulting, Kellton is committed to helping clients streamline operations and achieve business success with leading ERP solutions and minimal disruption.



## 10. Launched our global customer experience and innovation lab, Kverse

Set up within Kellton’s Gurgaon office, the Kverse Customer Experience Centre and Innovation Lab has been thoughtfully designed to serve as a beacon of our Digital Innovation and Transformation capabilities. Our decision to base Kverse in Gurgaon leverages the region’s vibrant tech scene, offering a unique space where technological prowess meets collaborative innovation. The center features a wide range of advanced technologies, including Interactive Smart Displays, IoT platforms, Virtual and Augmented Reality, Metaverse environments, Blockchain, and Voice Bots, all of which exemplify our leadership in digital thought and innovation.

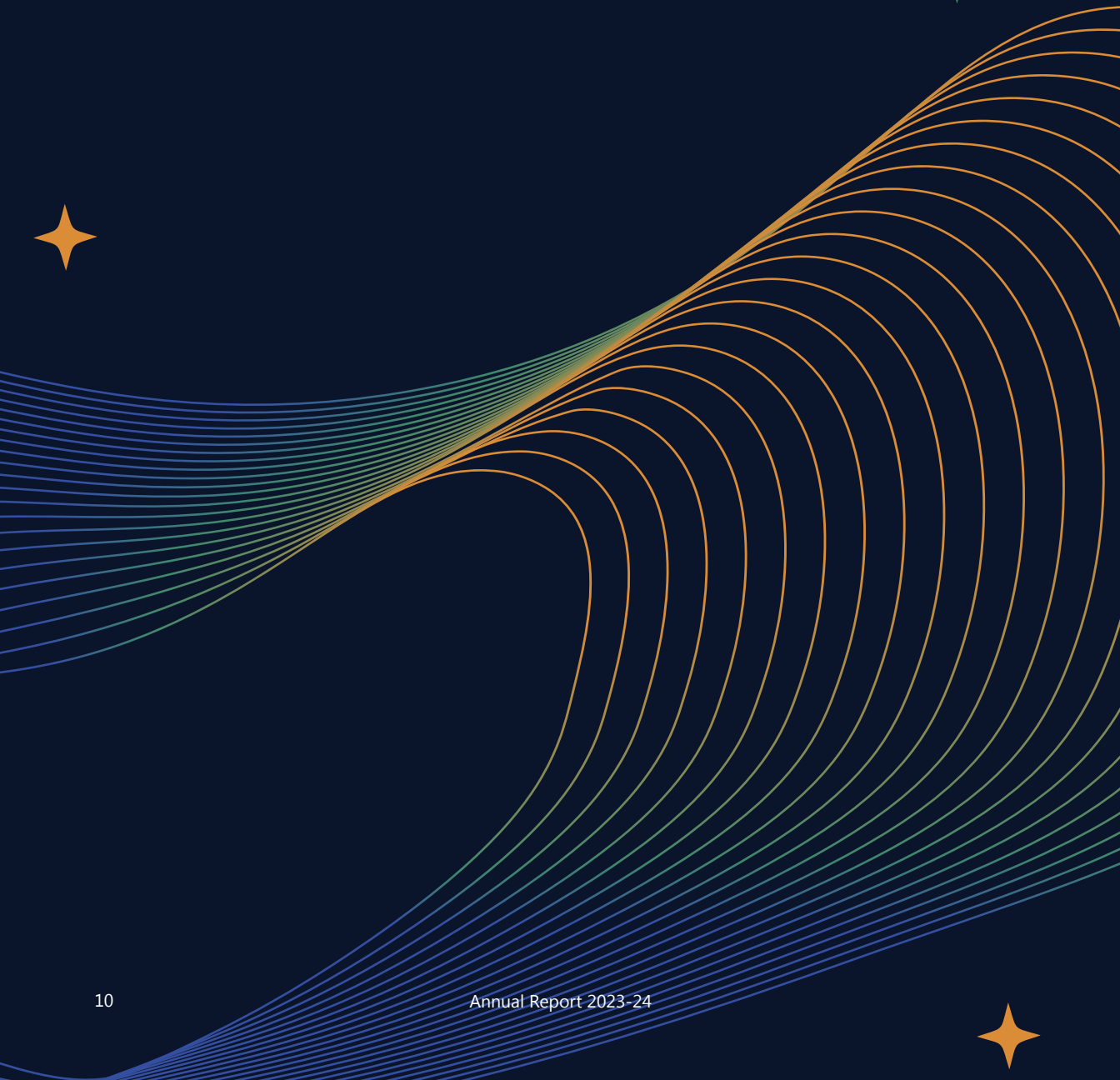




## 11. Industrial IOT Software: A strategic digital asset for enhanced client engagement and efficiency

In the past year, we introduced an Industrial IOT Software, a strategic digital asset that transforms oil field operations. Leveraging advanced technologies, including IoT, blockchain, mobility, edge computing, and machine learning, the Industrial IOT Software enables real-time, data-driven decision-making. This robust platform provides our partners and customers with extensive resources, interactive features, and enhanced support, driving operational efficiency and more thoughtful business practices. By offering unparalleled insights and automation, the Industrial IOT Software underscores our dedication to digital innovation and reinforces our commitment to enhancing client satisfaction and operational excellence.

# Our Workforce





## Our workforce

As we conclude FY23-24, we are filled with a renewed sense of purpose and enthusiasm, eager to advance our journey with the talented individuals and communities that form the heart of our organization.

Our workforce has always been our most significant asset, and this year, their relentless commitment to our strategic objectives has catapulted us into new realms of growth, even amidst the challenges we faced. Every member of the Kellton family has demonstrated unwavering support and trust in our mission, driving us to achieve service excellence and create value as we prepare for the next phase of our journey.

This year, our employee value proposition, grounded in the principles of optimism, diversity, inclusion, and equality, has continued to guide our efforts as we expanded our team. We've introduced several forward-thinking engagement initiatives that have strengthened the bonds within our Kellton family. These efforts have fostered an environment where learning, career development, and leadership opportunities are accessible to all, laying the foundation for a more inclusive and equitable workplace.

As we step confidently into the new fiscal year, buoyed by the steady growth achieved in FY23-24, we recognize that our successes are intrinsically linked to the contributions of our people. We remain committed to empowering our workforce, enhancing their skills, and providing them with the resources they need to stay laser-focused on delivering exceptional outcomes for our customers and leading the way in our industry.

## Our work culture

We are dedicated to fostering a work culture that thrives on inclusivity, equality, trust, unity, and recognition. By moving beyond conventional management approaches and empowering our people to take ownership, we unlock the power of 'delegated decision-making,' creating an environment where diligence is embedded at every level.

Flexibility is a cornerstone of our organizational ethos, encouraging our employees to be their true selves and align their work dynamics with their individual needs. This approach has cultivated a culture where autonomy, early leadership development, and mutual trust are integral to our success.

In FY23-24, our commitment to nurturing a positive work environment has remained unwavering. We've introduced new initiatives aimed at enhancing employee engagement, fostering collaboration, and empowering our teams to excel. By offering greater autonomy and supporting the development of managerial capabilities from the outset, we've reinforced a culture where trust and confidence are paramount.

Our continuous efforts to refine our work culture have enabled us to attract and retain top talent who share our vision for growth and excellence, driving innovation and ensuring sustained success.





## Talent acquisition

Securing and nurturing top talent is fundamental to driving our business growth and success. To remain agile, adaptable, and resilient in the evolving business landscape, we leverage technology to enhance our talent acquisition strategies and maintain a competitive edge. By focusing on internal mobility and fostering opportunities for our employees to explore new horizons, we empower them to achieve both personal and professional growth globally.

This year, our emphasis is on processes—driven by human ingenuity and advanced technology—has enabled our team to gain insights from top B-schools, universities, key industry references, employment portals, and other sources to identify and connect with the brightest minds. As recruitment becomes increasingly multifaceted, we are synchronizing our hiring strategies to provide seamless omnichannel experiences for potential candidates, tailoring our approach to align with the most effective channels.

## Talent diversity



Integrating diversity and inclusivity into our hiring processes enables us to identify top talent from all walks of life. This approach elevates morale and enhances bottom-line outcomes as diverse teams consistently generate innovative ideas and unlock new forms of value.

Diversity is a fundamental pillar of our company. We are committed to fostering an inclusive environment by continuously refining our internal practices and establishing dedicated diversity officers to ensure equal opportunities for all. By looking beyond traditional markers such as social and ethnic backgrounds, we are building a team rich in knowledge and expertise, capable of tackling the complex challenges of the digital era with a hands-on approach.

As we expand our employee base, our focus on talent diversity allows us to attract individuals with advanced skill sets. Moving forward, we will continue cultivating empowered, innovative, and diverse teams that share our vision for growth, drive the delivery of next-generation technology solutions, and position us to outshine the competition.





## Talent development

In today's dynamic business landscape, we are dedicated to our employees' continuous upskilling and reskilling to empower them to navigate challenges effectively and create substantial value for our clients. As a people-focused organization, we are committed to enhancing our workforce capabilities through carefully designed learning and training programs.

This year, we made substantial investments in workforce development, cultivating agile and innovation-driven teams. We continue to foster an environment where the entire Kellton family feels connected and is provided with numerous formal and on-the-job skill enhancement programs. Thought leaders from across our global network collaborate to share insights and elevate the skills of our workforce.

Our efforts have led to the formation of a more cohesive and purpose-driven workforce, strengthened by a shared sense of identity. Our people-centric approaches and favorable HR policies and programs are pivotal in advancing our employee development strategies, identifying critical areas for skill enhancement, and guiding us toward new growth opportunities. We have implemented comprehensive and impactful development programs this year and are poised to continue this momentum into the future.







## Our employee well-being programs

Kellton aspires to become a place where employees can bring their whole selves rather than just their work selves. Our people's policies and well-being programs echo this aspiration.

In fiscal 2023-24, Kellton maintained its deep connection with its people by ensuring their mental, physical, social, and financial well-being. We conducted numerous virtual and in-office health & financial workshops and medical camps throughout the year to educate and inspire our people to lead more active and happy lives.



 <p><b>Physical well-being</b></p> <ul style="list-style-type: none"> <li>• Regular health checkup camps</li> <li>• Health webinars</li> <li>• Wellness talks and tips</li> <li>• Yoga day</li> </ul>	 <p><b>Emotional well-being</b></p> <ul style="list-style-type: none"> <li>• One-on-one counseling sessions</li> <li>• Workshops to help employees manage various phases of their professional and personal lives</li> </ul>	 <p><b>Financial well-being</b></p> <ul style="list-style-type: none"> <li>• Webinars and discussions on financial topics such as savings, investments, and wealth management</li> </ul>	 <p><b>Social well-being</b></p> <ul style="list-style-type: none"> <li>• Wellness talks</li> <li>• Health programs</li> <li>• Annual health checkups</li> <li>• Yoga day</li> </ul>
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## HR policies

In the past year, we have dedicated ourselves to fostering an inclusive and growth-driven environment where our global employees can thrive. Our HR teams have been key to this progress, diligently enhancing policies and equipping our workforce with advanced skills, including AI, to meet the demands of an evolving industry. This strategic commitment to upskilling has empowered our teams to achieve transformative results, supporting our clients in their digital transformation and cost-efficiency efforts.

In today's rapidly changing work landscape, we are redefining how we support our employees' aspirations for meaningful connections, recognition, and robust personal and professional growth opportunities. At the same time, we are committed to promoting a more balanced and fulfilling lifestyle. To align with our strategic vision of becoming an AI-first tech organization, we are actively reshaping our hiring and reskilling strategies, ensuring they are in perfect harmony with the evolving needs of our business and our people.

As we embark on a new fiscal year, our commitment remains unwavering: we will continue to revisit and refine our policies to foster our employees' development, equipping them with the skills necessary to excel in a dynamic market. By nurturing a culture that places a premium on continuous learning and development, we are positioning ourselves for sustained growth and long-term success.



# Kellton Global Offices

## North America

### D.C. Metro Area

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

### NJ Area

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City, New Jersey 07311

### Dallas Area

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Sakore Nagar, Viman Nagar, Pune,  
Maharashtra 411014

### Singapore

171 Tras street, #04-175, Union  
Building, Singapore 079025

### Gurgaon

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

### UAE

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

## Europe

### Ireland

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

### Poland

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

### United Kingdom

30 Stamford St, South Bank, London  
SE1 9LS

# Management Discussion and Analysis Report

## Economy overview

The world economy has remained remarkably resilient in the face of significant obstacles in recent years, continuing to develop steadily. Following a period of supply chain disruptions caused by the pandemic and the ongoing conflict in Ukraine, which produced a worldwide oil and food crisis, the global economy has remained relatively stable. On the other side, further price increases brought on by geopolitical tensions may raise interest rate expectations and lower asset values in conjunction with ongoing core inflation in areas where labor markets are still tight.

According to the latest projections from the International Monetary Fund (IMF), global economic growth, which bottomed out at 2.3% in late 2022, is expected to stabilize at around 3.2% for 2024 and 2025. It is projected that throughout this era of more stable growth, inflation will continue to fall, with median headline inflation falling from 2.8% at the end of 2024 to 2.4% at the end of 2025.

## US

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The U.S. economy is currently experiencing a phase of stagnation, with economic growth flattening and unemployment reaching its highest levels in several years. Despite initial signs of recovery post-pandemic, recent data indicates that the momentum has slowed considerably. The labor market, once a strong pillar of the recovery, now faces increased challenges as job growth tapers off and more workers remain unemployed. While inflation rates have decreased from their 2022 highs, the economic outlook remains uncertain, with limited prospects for significant growth in the near future. Continued caution is warranted as the economy navigates these challenges, with potential policy adjustments likely needed to address rising unemployment and sluggish growth.



## India

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In the fiscal year 2023-2024, India achieved a major economic turning point with an astounding 8.15% year-over-year (YoY) GDP growth, exceeding all market predictions. With an average annual growth rate of 8.3% over this time, this strong performance represents the third year in a row that India's economy has outperformed growth projections. Fourth-quarter economic activities pointed to three exciting trends: improvement in private consumption, exports, and manufacturing. India's economy has persevered in the face of global unpredictability because of robust local demand and continuous government initiatives centered on capital investment and reforms.

## Europe

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Europe continues to experience subdued economic growth, with the recovery losing momentum and growth rates remaining low. Despite falling energy prices and easing inflation, business investment is sluggish, and consumer confidence is weak. The labor market remains strong but has not sparked a wider economic recovery, leaving Europe facing prolonged low growth amid ongoing structural and external challenges.



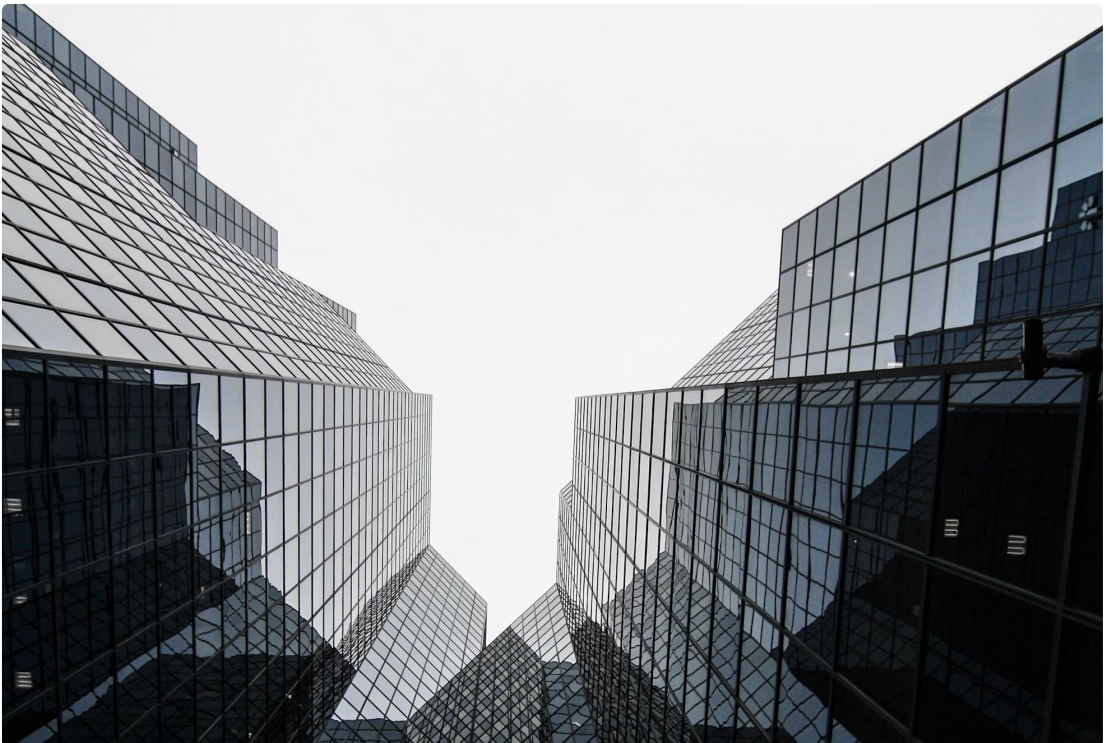
## Industry outlook

According to the latest forecast by Gartner, Inc., worldwide IT spending is expected to total \$5.06 trillion in 2024, an increase of 8% from 2023. This is an increase from the previous quarter's forecast of 6.8% growth and puts worldwide IT spending on track to surpass \$8 trillion well before the end of the decade.

Despite global geopolitical tensions leading to cautious investment strategies and delays in decision-making, as highlighted by NASSCOM, India's technology sector is poised for sustained growth. While large IT companies have experienced a more challenging environment, with growth rates falling short of expectations, small and medium-sized IT firms have demonstrated resilience, managing to navigate the complexities and achieve respectable growth.

The Indian IT industry continues to grow its workforce, adding 60,000 new employees in 2023, bringing the total to 5.43 million. There is a strong emphasis on digital skills, particularly in AI, cloud computing, data analytics, and cybersecurity, with significant investments in employee upskilling. Additionally, generative AI is prompting companies to enhance their service offerings, creating greater value for clients.

The IT sector's impact on India's economy is substantial, with its contribution to GDP expected to rise from 7.5% in FY23 to 10% by 2026, and revenues forecasted to reach USD 350 billion. Indian IT export revenue, which grew by 9% in FY23 to USD 194 billion, is expected to increase to USD 199 billion in FY24. The United States has the largest information technology (IT) market in the world, accounting for one-third of the \$5 trillion worldwide IT market, followed by the UK, with growing demand in regions such as APAC, Latin America, and the Middle East.





## Company overview

Kellton is a global technology consulting and digital solutions provider that helps businesses across different industries enhance their operations. We focus on modernizing business models, fostering innovation, and supporting growth with digital technologies. As a key player in the AI space, we incorporate artificial intelligence and machine learning into our solutions to help clients achieve better efficiency and a competitive edge.

### AI-first strategy

Our AI-first strategy underscores our commitment to embedding advanced AI capabilities into every facet of our service offerings. By leveraging machine learning and predictive analytics, we enable businesses to enhance decision-making, streamline processes, and unlock new opportunities for growth and efficiency.

### Strategic investments

During the year under review, we strategically invested in low-code and no-code platforms to facilitate rapid product development and deployment. Through our collaboration with Hooper, we are enhancing our expertise in AI and hyper-automation, equipping businesses with the tools to accelerate their digital transformation and achieve faster time-to-market.

### Operational excellence

Our operational excellence is built on a comprehensive delivery model, combining a global project management framework with onshore, nearshore, and offshore capabilities for seamless execution. Our practice areas drive innovation through cutting-edge POCs and MVPs, while our sales and marketing teams excel in strategic positioning and client engagement. Our people-centric HR strategy also ensures we attract, develop, and retain top talent, fostering a supportive environment that underpins our organizational success.

- **Delivery:** Our delivery model is anchored in a robust project management governance framework, supported by global delivery capabilities. With onshore teams in the US, nearshore operations in Poland, and offshore centers in India, we offer a seamless and scalable approach to project execution.
- **Practice:** Our practice areas focus on innovation and experimentation, including developing Proof of Concepts (POCs) and Minimum Viable Products (MVPs). We are dedicated to exploring emerging technologies and delivering pioneering solutions that drive business value.
- **Sales & Marketing:** Our sales and marketing teams excel in defining go-to-market strategies, securing analyst accolades, and fostering strong client relationships. We also prioritize employer branding efforts to attract and retain top talent, enhancing our market position and organizational strength.
- **Human Resources:** Our HR strategy prioritizes a people-centric approach, aiming to acquire, develop, and retain the best talent in the industry. Our HR practices are designed to create an empowering and supportive work environment that fosters growth and success.



## Financial performance

This year, our growth has been steady, stable, and resilient. Our employees' unwavering support, a reliable partner network, and our focus on sustainable shareholder value have enhanced our service excellence and guided our business in the right direction. Strategic leadership hires, prudent digital and business investments, and re-engineered service models have been critical in reinforcing our brand's niche. We will seek to accelerate our transformation efforts and pioneer new advancements as a technology leader to ensure we meet our financial objectives and make meaningful progress in the coming year.

We achieved a total revenue of Rs 984.7 crores, with 7.10% year-on-year growth, which reflects some progress, although it has been a challenging environment. The EBITDA crossed the Rs 100 crores milestone, and the net profit of Rs 64 crores was achieved indicating our operational excellence.

## Our business model

Kellton's business model is anchored in leveraging cutting-edge technology to drive success in the IT services industry. Our core strength lies in harnessing the latest advancements in AI, cloud computing, data science, and digital transformation to deliver exceptional solutions. We ensure our offerings are innovative and aligned with industry best practices by continuously integrating state-of-the-art tools and technologies into our services. This technological edge is critical for maintaining high standards of service delivery and achieving operational excellence, which, in turn, fosters a high level of client satisfaction and business success.

Our revenue is driven by a broad array of services designed to meet diverse client needs:

- **AI and Machine Learning:** We utilize AI and ML technologies to automate processes, provide actionable insights, and enhance decision-making.
- **Product Engineering:** We design and develop innovative, high-performance products, managing the entire lifecycle from conception to deployment.
- **Digital Experience:** We create exceptional digital experiences through UX/UI design and digital strategy to engage users and drive business results.
- **Data Science & Engineering:** Our services deliver deep insights and strategic decisions through data analytics, big data engineering, and data-driven solutions.
- **Cloud Engineering:** We offer end-to-end cloud solutions, including migration, implementation, and optimization, to enhance scalability and efficiency.
- **Next-Gen Services:** We integrate emerging technologies like blockchain and IoT to address future business challenges and drive innovation.
- **SAP Services:** We provide SAP implementation, customization, and support to optimize ERP systems and streamline business processes.

By leveraging a robust and expanding ecosystem of skilled professionals, well-defined processes, and strategic partnerships, we deliver highly tailored and high-value solutions that address the specific needs of our clients. Our holistic approach ensures that we provide exceptional service and drive meaningful outcomes for organizations across various industries.





## Our growth strategy

Our growth strategy centers around expanding our key accounts and venturing into new, high-potential verticals. We have identified vital accounts that present substantial opportunities for further growth through cross-selling, upselling, and deepening our client relationships. By intensifying our focus on these accounts, investing in client services, and implementing a consulting-led delivery model, we aim to solidify our position as a preferred partner.

Our strategy includes deepening engagement with key clients, investing in client services, adopting a consulting-led approach to establish trusted partnerships, and pursuing large, long-term deals. Additionally, we are focused on diversifying our portfolio by tapping into new and emerging verticals.

In FY 23-24, we strategically pivoted our focus towards Generative AI (GenAI), empowering our clients to harness this transformative technology to accelerate their growth and enhance their competitive edge. Our commitment to GenAI will continue into the next fiscal year, with planned investments aimed at further developing a future-ready workforce. This forward-looking approach is poised to drive substantial growth and expand our influence across the industry.

## Our partner ecosystem

Our robust partner ecosystem enables us to craft futuristic solutions for our clients. By harnessing the unique offerings of our esteemed partners, such as SoftwareAG, Adobe Commerce, SAP, AWS, Google Cloud, Jitterbit, and Workato, we accelerate the digital transformation journeys of our clients across various industries and enable them to amplify their competitive advantage. Our strategic relationships with Confluent, Snowflake, Sitecore, Qlik, Prismic CMS, and Contentful have significantly enhanced our service offerings. These alliances are instrumental in redefining our go-to-market strategies, positioning us for sustained revenue growth and market leadership.

## Risks and concerns

Our global expansion and the dynamic markets we operate in expose us to diverse risks. Nonetheless, our robust foundation, strengthened by adaptable and comprehensive strategies, empowers us to shield our people, partners, and clients from the challenges brought by a multitude of challenges, such as geopolitical conflicts, stubborn inflation, reduced global IT spending, etc. This year, we faced significant headwinds due to evolving technologies; however, by reinforcing our risk management frameworks and deploying a proactive team to guide our business through these challenges, we have effectively anticipated obsolescence risks, streamlined organizational complexities, and navigated regulatory demands with poise and assurance.

### Risk categories and mitigation approaches

#### Regulatory risks

##### Potential impact

Failure to comply with shifting regulations across multiple jurisdictions could result in penalties, loss of business, exclusion from markets, reputational harm, and legal consequences.

##### Mitigation approach

- Deployment of a sophisticated compliance monitoring system to ensure adherence across diverse global jurisdictions.
- Establishment of an Internal Compliance Committee to oversee global governance.
- Collaboration with external consultancy firms to keep Compliance Obligation Registers up-to-date with evolving legal requirements.



## Macroeconomic and geopolitical risks

### Potential impact

Inflation, rising interest rates, and geopolitical disruptions can adversely affect business prospects, client spending, and overall revenue growth.

### Mitigation approach

- Vigilant monitoring of geopolitical events, such as trade conflicts, sanctions, and border disputes, which could disrupt supply chains and the IT sector's global environment.
- Continuous tracking of macroeconomic indicators, including GDP growth, interest rates, and inflation, to identify potential economic challenges in our operational regions.
- Diversification of revenue streams across various geographies and sectors to reduce exposure to these risks.

## Human capital risks

### Potential impact

High attrition rates, workforce instability, and productivity challenges, especially in Work From Home (WFH) scenarios, pose significant threats.

### Mitigation approach

- Strategic forecasting of resource demand to ensure Industrial IOT Software project staffing.
- Enhancement of HR Business Partner (HRBP) functions to address employee concerns and mitigate attrition proactively.
- Implementation of targeted measures to counter productivity losses and address cybersecurity risks associated with partial WFH setups.

## Cybersecurity risks

### Potential impact

Cybersecurity breaches and data privacy issues, including those related to AI and Generative AI (GenAI), can lead to severe repercussions, including regulatory fines, legal liabilities, and damage to the company's reputation.

### Mitigation approach

- Adoption of robust data protection mechanisms (such as encryption and data loss prevention) and advanced cybersecurity tools (including firewalls, and antivirus software) to prevent breaches.
- Implementation of specific safeguards for AI and GenAI data, ensuring that these technologies are deployed securely and that their outputs are monitored for compliance with data protection standards.
- Comprehensive user awareness programs and supplier risk management to ensure stringent data security.
- Ongoing evaluation and enhancement of security measures through Annual Privacy Audits, IT Audits, External Health Check Audits, and Customer Audits.



## Foreign exchange risks

### Potential impact

As a company with a significant portion of business driven by exports, fluctuations in foreign exchange rates pose a risk to financial stability.

### Mitigation approach

- Adherence to an established Financial Risk Management Policy that provides a structured approach to managing foreign exchange risks.
- Implementation of a strategic hedging program to protect against adverse currency movements.

## Workforce

At Kellton, we are unwavering in our commitment to empowering our employees through a supportive and growth-oriented culture. We focus on cultivating an environment that fosters continuous learning and development, encouraging high performance across all levels. Our workforce has been essential to our success, particularly in adapting to various challenges and maintaining seamless client engagements across diverse locations and time zones.

We take immense pride in our diverse and expanding team, which embraces a wide range of cultural and ethnic backgrounds. Gender parity and diversity are integral to our growth strategy, and we are dedicated to providing equal opportunities for all while eliminating biases.

We continued to foster a dynamic and innovative environment by uniting our global operations. We enhanced our connectedness and collaboration by transcending geographical boundaries, leading to improved employee communication and collective innovation. This approach allowed our employees to access a broader range of opportunities across our global footprint, unlocking their full potential and enabling us to deliver effective and tailored digital solutions to our clients.

We are committed to preparing our employees for the future by upskilling them with advanced AI technologies. Our investments in AI training and development are designed to equip our team with the skills necessary to thrive in an evolving technological landscape. We are enhancing our global infrastructure, supporting our diverse workforce, and fostering a culture of productivity and resilience. By inspiring value-driven conversations and driving desired behaviors, we strengthen our organizational culture and effectively address business challenges.

## Corporate Information

### BOARD OF DIRECTORS

1.	<b>Mr. Niranjan Chintam</b>	Chairman & Whole-Time Director
2.	<b>Mr. Krishna Chintam</b>	Managing Director
3.	<b>Mr. Karanjit Singh</b>	Whole-Time Director
4.	<b>Mr. Srinivas Potluri</b>	Non-Executive Director
5.	<b>Mr. Brijmohan Venkata Mandala</b>	Independent, Non-Executive Director
6.	<b>Mr. Srinivasa Vijay Kumar Appana</b>	Independent, Non-Executive Director
7.	<b>Mr. Satya Prasad Sayala</b>	Independent, Non-Executive Director
8.	<b>Ms. Geeta Goti</b>	Independent, Non-Executive Director

### KEY MANAGERIAL PERSONNEL

1.	<b>Mr. Niranjan Chintam</b>	Whole-Time Director & Chief Financial Officer
2.	<b>Mr. Krishna Chintam</b>	Managing Director & Chief Executive Officer
3.	<b>Mr. Karanjit Singh</b>	Whole-Time Director
4.	<b>Mr. Rahul Jain</b>	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. Niranjan Chintam	Executive Director	Member

#### Nomination & Remuneration Committee cum Compensation 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. Satya Prasad Sayala	Non-Executive Independent, Director	Member
Mr. Niranjan 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

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. Krishna Chintam	Executive Director	Member

### Securities Issuance Committee

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

### Risk Management 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. Niranjan Chintam	Executive Director	Member

## CORPORATE IDENTITY NUMBER : L72200TG1993PLC016819

### CORPORATE & 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: <https://www.kellton.com>

### 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](mailto:mail@xlsoftech.com)  
Phone: 040-23545913

### STATUTORY AUDITORS

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

### BANKERS

IndusInd Bank, Sardar Patel Rd, Begumpet,  
Secunderabad, Telangana 500003  
Bandhan Bank, Madhapur, Hyderabad-500 081

### WEBSITE

<https://www.kellton.com>

### SECRETARIAL AUDITOR

Mr. NVSS Suryanarayana Rao  
Practicing Company Secretary

### COMPLIANCE OFFICER

Mr. Rahul Jain  
Company Secretary and Compliance Officer  
Email id: [rahul.jain1@kellton.com](mailto:rahul.jain1@kellton.com)

### INTERNAL AUDITORS

**CA Ravindhar Reddy**  
Chartered Accountant

### STOCK EXCHANGES WHERE COMPANY'S SECURITIES ARE LISTED

The BSE Limited  
The National Stock Exchange of India Ltd.

## Notice of 30<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT THE 30<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KELLTON TECH SOLUTIONS LIMITED ("THE COMPANY") WILL BE HELD ON MONDAY, SEPTEMBER 30, 2024 AT 11:00 A.M IST THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESSES:**

### **ORDINARY BUSINESSES:**

- 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, 2024.**

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024 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 Auditors' Report for the financial year ended March 31, 2024.**

**"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 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 BUSINESSES:**

- 4. To consider and recommend the re-appointment of Mr. Niranjan Chintam (DIN: 01658591) as Whole-Time Director and Chief Financial Officer of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, the consent of Shareholders of the Company be and is hereby accorded to re-appoint Mr. Niranjan Chintam (DIN: 01658145) as the Whole-Time Director & Chief Financial Officer ("WTD & CFO") of the Company for a term of 3 (Three) years commencing from November 01, 2024 to October 31, 2027, office of whom is not liable to retire by rotation on such terms and condition as recommended by Nomination and Remuneration Committee;

**RESOLVED FURTHER THAT** in his capacity as WTD & CFO, Mr. Niranjan Chintam is entitled to exercise all powers as are exercisable by the WTD & CFO 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 is hereby severally authorized to sign and execute the appointment letter, or WTD & CFO contract (and any other agreement relating to compensation and benefits between the Company and Mr. Niranjan Chintam inter-alia containing terms and conditions of his appointment;

**RESOLVED FURTHER THAT** the Board of Director(s) of the Company be and are hereby further authorized 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.”

**5. Approval for payment of remuneration to Mr. Niranjan Chintam (DIN: 01658591) as Whole-Time Director and Chief Financial Officer 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 196, 197, 198, 203 and other applicable provision(s), if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Articles of Association of the Company and pursuant to the recommendations of Nomination and Remuneration Committee and approval of Board of Directors at their meeting held on September 05, 2024 and subject to such other approvals as may be necessary, consent of the members of the Company, be and is hereby accorded for payment of remuneration to Mr. Niranjan Chintam (DIN: 01658591) as Whole-Time Director and Chief Financial Officer of the Company for a period of 3 (three) years commencing from November 01, 2024 as detailed below:

**Remuneration:**

Remuneration shall be upto Rs. 1,20,00,000/- (Indian Rupees One Crore Twenty Lakhs Only) per Annum. The salary may progressively go up subject to his performance and industry trends, subject to the confirmation of the board of directors.

**RESOLVED FURTHER THAT** in the event, during the aforesaid Financial Year, the Company has no profits, or its profits are inadequate, the Company shall pay to the Whole-Time director as approved by this resolution and as set out in the Explanatory Statement as minimum remuneration;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**6. Approval for payment of remuneration to Mr. Krishna Chintam (DIN: 01658145) as Managing Director and Chief Executive Officer 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 196, 197, 198, 203 and other applicable provision(s), if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“SEBI Listing Regulations”), relevant provisions of the Articles of Association of the Company and pursuant to the recommendations of Nomination and Remuneration Committee and as approved by the Board of Directors at their meeting held on September 05, 2024 and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Krishna Chintam (DIN: 01658145), Managing Director and Chief Executive Officer of the Company for a period of 3 (three) years commencing from October 01, 2024 to September 30, 2027 as detailed below:

**Remuneration:**

Remuneration shall be upto Rs. 1,20,00,000/- (Indian Rupees One Crore Twenty Lakhs Only) per Annum, subject to maximum remuneration as mentioned under Schedule V of the Companies Act, 2013 The salary may progressively go up subject to his performance and industry trends, subject to the confirmation of the board of directors.

**RESOLVED FURTHER THAT** in the event, during the aforesaid Financial Year, the Company has no profits, or its profits are inadequate, the Company shall pay to the Managing Director and Chief Executive Officer remuneration as approved by this resolution and as set out in the Explanatory Statement as minimum remuneration;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**7. Approval for payment of remuneration to Mr. Karanjit Singh (DIN: 06898258) as Executive 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 196, 197, 198, 203 and other applicable provision(s), if any, of the Companies Act, 2013 (the "Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), relevant provisions of the Articles of Association of the Company and pursuant to the recommendations of Nomination and Remuneration Committee and as approved by the Board of Directors at their meeting held on September 05, 2024 and subject to such other approvals as may be necessary, consent of the members of the Company, be and is hereby accorded for payment of remuneration to Mr. Karanjit Singh (DIN: 06898258), Executive Director and Officer of the Company for a period of 3 (three) years commencing from October 01, 2024 to September 30, 2027 as detailed below:

**Remuneration:**

Remuneration shall be upto Rs. 75,00,000/- (Indian Rupees Seventy-Five Lakhs Only) per Annum, subject to maximum remuneration as mentioned under Schedule V of the Companies Act, 2013 The salary may progressively go up subject to his performance and industry trends, subject to the confirmation of the board of directors.

**RESOLVED FURTHER THAT** in the event, during the aforesaid Financial Year, the Company has no profits, or its profits are inadequate, the Company shall pay to the Executive Director and Officer remuneration as approved by this resolution and as set out in the Explanatory Statement as minimum remuneration;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of 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. 500 Crores (Rupees Five Hundred 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 suppression 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 thereunder, 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 but not limited to, any Bank(s) and / or other Financial Institution(s) and / or foreign lender(s) and / or any body corporate(s) / entities and / or 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. 500 crores (Rupees Five Hundred Crores Only), notwithstanding that money so borrowed together with the money 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 suppression 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. 500 Crores (Rupees Five Hundred 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.”

**10. To approve amendment in terms of Kellton Tech Solutions Limited Employees Stock Option Scheme, 2013.**

*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 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (including any statutory modification or re-enactment thereof, for the time being in force), read along with relevant provisions contained in the memorandum of association and articles of association of the Company, and such other rules, regulations and guidelines if any / various statutory / regulatory authority(ies) that are or may become applicable from time to time and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Applicable Laws”), and subject to any approval(s), Consent(s), Permission(s) and/or sanction(s) as may be required from appropriate regulatory authorities / institutions, consent of the members be and is hereby accorded to amend the Kellton Tech Employee Stock Option Plan 2013 (“ESOP Scheme”) which is being updated in terms of the Applicable Laws apart from few other with a view to ensure better efficacy and administration of the Plan;

**RESOLVED FURTHER THAT** the Board (including any committee thereof), be and is hereby authorized to take such steps as may be necessary and to settle all matters arising out of and incidental thereto and sign, execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the resolution;

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to submit the copy of the amended ESOP Scheme to any regulatory authority and to file necessary forms with the Registrar of Companies, and to do all such acts, deeds and things that as may be necessary or incidental to give effect to this resolution.”

By the order of the Board  
For **Kellton Tech Solutions Limited**

Date: 05.09.2024  
Place: Hyderabad

**Registered Office:**  
Plot No. 1367, Road No. 45,  
Jubilee Hills,  
Hyderabad – 500 033  
Telangana

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

## Notes:

1. The Ministry of Corporate Affairs ('MCA') vide its circular nos. 09/2023, dated September 25, 2023 read with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020, dated April 13, 2020 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022& 10/2022 dated September 25, 2023, , April 13, 2020, 20/2020 dated May 5, 2020 and 2/2022 dated May 5, 2022 , , in relation to "Clarification and it has been permitted holding of the Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "**MCA Circulars**") and the Securities and Exchange Board of India ('SEBI') vide its circular nos. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/ CIRP/P/2022/62 dated May 13, 2022 ("**SEBI Circulars**") has permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

In compliance with these MCA and SEBI Circulars, applicable provisions of the Act (including any statutory modifications or re-enactments thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the 30<sup>th</sup> AGM of the Company is being conducted through VC/OAVM on Monday, September 30, 2024 at 11.00 A.M. (IST). The deemed venue for the 30<sup>th</sup> AGM shall be the Registered Office of the Company.

2. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, the Explanatory Statement relating to Special Businesses in Item No. 4 to 10 of the accompanying Notice to be transacted at the AGM is also annexed hereto. Additional information and relevant details pursuant to the relevant Regulations of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 and other relevant SEBI regulations and Secretarial Standards on General Meetings (SS-2) are annexed hereto.
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 the 30<sup>th</sup> AGM is being held pursuant to the MCA and SEBI circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the proxy form, attendance slip and route map of the AGM venue are not annexed to this notice.
4. Pursuant to Section 113 of the Act, representatives of 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/ Authorization 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 compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for the financial year ("FY") 2023-24 is being sent only through electronic mode to those Members whose name appear in the Register of Members/Beneficial Owners maintained by the Company/Depositories as on BENPOS date i.e. August 30, 2024 and whose e-mail addresses are registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report for the FY 2023-24 will also be available on website of the Company, i.e. <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 NSDL (agency for providing the Remote e-Voting facility) i.e. <https://www.evoting.nsdl.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 opt-out or 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 National securities India Limited (NSDL) 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 NSDL.
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, Saturday September 21, 2024 to Monday September 30, 2024 (both days inclusive) for the purpose of the Meeting.
13. 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).
14. To support the "Green Initiative", the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent ("RTA") i.e. XL Softech Systems Limited or their Depository Participants, in respect of Shares held in physical/electronic mode, respectively.
15. 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.
16. **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)

17. 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.
18. 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.
19. 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.
20. 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.
21. 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.
22. **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 NATIONAL SECURITIES DEPOSITORY LIMITED ("NSDL") 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 NSDL.

***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 NSDL's website <https://www.evoting.nsdl.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 20, 2024. ("Cut- Off Date") shall be eligible to cast their vote by remote e-voting.
- Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period commences on Friday September 27, 2024 at 09.00 a.m. and ends on Sunday September 29, 2024 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 NSDL for voting after 5:00 p.m. (IST) on Sunday September 29, 2024.

23. 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 20, 2024 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [xlfield@gmail.com](mailto:xlfield@gmail.com). However, if you are already registered with NSDL 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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free No.: 1800-222-990 or e-mail at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
24. 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.
25. **The Board of Directors has appointed M/s. Mr. NVSS Suryanarayana Rao, the Practicing Company Secretary (Membership No. ACS 5868) , as Scrutinizer to scrutinize the remote e-voting process as well as voting at the Meeting in a fair and transparent manner.**
26. 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 2 working days of the conclusion of its General 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.
27. The results declared along with Scrutinizer’s Report, will be placed on the Company’s website [www.kellton.com](http://www.kellton.com) and the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.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 INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

**The remote e-voting period begins on Friday September 27, 2024 at 09:00 A.M. and ends on Sunday September 29, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL 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. Friday, September 20, 2024**, 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 **Friday, September 20, 2024**.

The Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*





#### **STEP 1: ACCESS TO NSDL E-VOTING SYSTEM**

#### **A) Login method for e-voting and joining virtual AGM for individual members holding securities in Demat mode**

In terms of the SEBI Circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

The Members are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular, login method for e-Voting and joining Virtual AGM for Individual Members holding securities in Demat mode with CDSL/NSDL is given below:

Type of Membe	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</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.nsdl.com">https://eservices.nsdl.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 under Value added 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 ESP name and you will be re-directed to e-Voting website of NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual AGM &amp; e-Voting during the AGM.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.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.nsdl.com">https://www.evoting.nsdl.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 site wherein you can see e-Voting page. Click on Company name or ESP name i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual AGM &amp; e-Voting during the AGM.</li> <li>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<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 Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing Myeasi username &amp; password.</li> </ol>

Type of Membe	Login Method
	<p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting 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.</p> <p>1. If the user is not registered for Easi/Easiest, option to register is available at CDSL 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.</p> <p>2. 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-Voting feature. Click on Company name or ESP i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual AGM & e-Voting during the AGM.

**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. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a Mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.



3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### GENERAL GUIDELINES FOR SHAREHOLDERS/MEMBERS:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csnvss@gmail.com](mailto:csnvss@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 [compliance@kellton.com](mailto:compliance@kellton.com) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance@kellton.com](mailto:compliance@kellton.com)
2. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM 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 in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@kelltontech.com](mailto:compliance@kelltontech.com). The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by Company.

## 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 Members of the Company at the AGM held on September 27, 2021, had approved re-appointment of Mr. Niranjana Chintam (DIN: 01658591) as Whole-Time Director and Chief Financial Officer (designated as “Executive Chairman”) for a period of three years with effect October 31, 2021 to October 10, 2024. The Board of Directors of the Company at the meeting held on September 05, 2024, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, re-appointment of Mr. Niranjana Chintam (DIN: 01658591) as Whole-Time Director (designated as “Executive Chairman” by the Board of Directors) of the Company for a period of three years, ***i.e., from November 01, 2024 to October 31, 2027***, on such remuneration as set out in the resolution. Mr. Niranjana Chintam (DIN: 01658591) has consented to be reappointed as Whole-Time Director and shall not be liable to retire by rotation and 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.

In the role as Executive Chairman, Mr. Niranjana Chintam is responsible for the following:

- a) Ensure that the Board provides effective governance for the Company. In doing so, the Chairman presides at meetings of the Board and at shareholders meetings of the Company. Takes a lead role in managing the Board, facilitating communication among directors, working closely and leveraging the Board to enable management to drive organization success.
- b) Overall matters pertaining to governance, including the organization and composition of the Board, the organization and conduct of Board meetings, and the effectiveness of the Board of Directors, Board Committees, and individual directors, in fulfilling their responsibilities.
- c) Providing leadership to the Board, identify guidelines for the conduct and performance of directors, evaluate and manage directors’ performance and oversee the management of Board’s administrative activities.
- d) Works actively with the Nomination and Remuneration Committee to plan the Board and Board Committee composition, induction of directors to the Board, plan for director succession, participate in the Board evaluation process and meet with individual directors to provide constructive feedback and advice.
- e) Support the Chief Executive Officer in striking the balance between performance and long-term health/ bets of the organization.
- f) Support the Chief Executive Officer in building relevant and strong relationships with customers globally including on large deals.
- g) Build an inclusive culture that is comfortable and accepting of diversity in leadership.
- h) Represent the organization with key policy makers, Industry Bodies/Associations, Ambassadors, etc. and manage relationship with dignitaries/political leadership with key geographies – influence the quality of narrative about the Company in the marketplace.
- i) Lead through action and thought on being a Sustainable and Socially Responsible Corporation.

As per Regulation 17 (1C) of the Listing Regulations, appointment or re-appointment of a person on the Board of Directors, shall be subject to approval of shareholders at next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

The terms and conditions set out for re-appointment of Mr. Niranjana Chintam (DIN-01658591), Whole-Time Director and Chief Financial Officer 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 5, 6, 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
with more than one MD or WTD or Manager	shall not exceed 10% of the net profits of the company

B) To Other Directors:

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
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.

Further, considering the recommendations made by Nomination and Remuneration Committee (“NRC”) at their meeting held on August 27, 2024, regarding the revision of remuneration of Mr. Niranjana Chintam, Mr. Krishna Chintam and Mr. Karanjit Singh, which was duly accepted by the Board of Directors at their meeting held on September 05, 2024.

**Requisite details relating to the proposal as prescribed in Schedule V of the Companies Act, 2013 are given herein:**

**1. General Information**

- a. **Nature of Industry-** Kellton Tech Solutions Limited (KTSL) is an Indian Multinational Company that provides Information Technology (IT) services, including digital engineering and technology consulting;
- b. **Date or expected date of commencement of commercial production:** The company commenced its business on June 01, 1994;
- c. **In case of new companies, the expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus:** Not Applicable.

- d. **Financial Performance: Financial performance for the last three Financial Years is as per details below:**

(In Rupees)

Particulars	(Standalone) F.Y 2023-24	(Standalone) F.Y 2022-23	(Standalone) FY 2021-22
<b>Total Revenue</b>	1,84,71,53,469	1,70,85,40,306	1,23,18,15,618
<b>EBITDA</b>	28,46,71,972	24,74,31,848	23,83,73,435
<b>Profit Before taxes</b>	13,68,30,454	13,38,38,284	14,52,09,688
<b>Profit After taxes</b>	9,95,44,172	9,48,93,316	10,88,98,508
<b>Basic/Diluted EPS (In Rs)</b>	1.00	0.96	1.16
<b>Total Assets</b>	2,58,08,21,396	2,22,78,56,142	2,06,32,84,090
<b>Shares Outstanding (No.)</b>	9,74,01,603	9,65,30,799	9,64,95,800

The detailed balance sheet, profit & loss account and other financial statements are available as part of the Company's Annual Report, available on the website of the Company.

- e. **Foreign investments or collaborations, if any:** Except for equity shares of the Company held by Non-resident shareholders, there is no foreign investment or collaborations in the Company

## 2. Information about Appointee

Particulars	Niranjan Chintam	Krishna Chintam	Karanjit Singh
<b>Background details</b>	Brief Profile attached as Annexure		
<b>Past Remuneration</b>	Rs. 30,00,000/- p.a.	Rs. 30,00,000/- p.a.	Rs. 57,94,572/- p.a.
<b>Recognition or awards</b>	Attached in Brief Profile		
<b>Job Profile and its suitability-</b>	Attached in Brief Profile		
<b>Remuneration Proposed</b>	Rs. 1,20,00,000/-	Rs. 1,20,00,000/-	Rs. 75,00,000/-
<b>Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	The remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.	The remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.	The remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.
<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	Mr. Niranjan Chintam and Mr. Krishna Chintam are brothers. There is no pecuniary relationship except the remuneration drawn in their capacity as Whole-Time Director of the Company.	Mr. Krishna Chintam and Mr. Niranjan Chintam are brothers. There is no pecuniary relationship except the remuneration drawn in their capacity as Managing Director of the Company.	There is no pecuniary relationship between Mr. Karanjit Singh and the Company except the remuneration drawn in their capacity as Executive Director of the Company.

## 3. Other Information

- a. **Reasons for Higher Remuneration**

The company's standalone financial performance does not generate sufficient profits to cover an increase in director remuneration. However, it is important to acknowledge the significant role that directors have played in driving success at the global level, particularly in enhancing revenue and profits across various regions and subsidiaries.

When we consider the consolidated financials—which encompass all parts of the company, including subsidiaries—there is adequate profit to support a pay increase for the directors.

Moreover, in accordance with Sections 196, 197, 198, and Schedule V of the Companies Act 2013, remuneration must be calculated based on standalone profits rather than consolidated figures. Given that the standalone profits are insufficient, the company proposes to pass a special resolution to obtain the necessary approval from shareholders.

**b. Steps taken or proposed to be taken for improvement:**

The Company is actively engaged in ongoing efforts to minimize expenses, streamline its operational processes, and avert potential losses. This involves a range of strategies and initiatives designed to improve overall efficiency and effectiveness across its various functions. By continuously evaluating and refining its approach, the Company aims to achieve better financial performance and operational excellence.

**c. Expected increase in productivity and profits in measurable terms:**

The various strategic initiatives taken by the Company and a significant advancement in our technological capabilities are expected to boost our profit margins and strengthen our position in the market.

### **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 Rs. 250 Cr (Rupees Two Hundred Fifty Crore) to an amount of Rs. 500 Cr (Rupees Five Hundred 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. 500 Cr (Rupees Five Hundred Crore).

The Directors commend 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 & 9 of the Notice.

### **Item No 10**

The Company desires to amend the terms and conditions of the current ESOP plan named as **KELLTON TECH SOLUTIONS LIMITED EMPLOYEES STOCK OPTION SCHEME, 2013**. The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the organization. The objective of this Scheme is to reward the Employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company.

The Company to reward and motivate employees for their long association and in recognition of their dedicated service to the Company and also to attract and retain the best talent, has been granting stock options pursuant to the approval of its members at general meeting. Rewarding employees with stock options aligns with the long term sustainable growth of the Company and ensures active participation by a team of motivated employees in ensuring its desired growth. It will provide competitive edge in the current economic and market scenario if the adoption and implementation of such an incentive structure is encouraged and supported through the grant of stock options.

Since the date of the last shareholders' approval in the year 2018, many new employees have joined the Company to retain the existing employees of the Company and also to attract and retain the best talent, the Board upon the recommendation of the Compensation Committee, at its meeting held on September 05, 2024 approved the modification in the existing scheme, for options to be granted to the present and future permanent employees, working in India or abroad, including directors (whether whole-time directors or not) of the Company, holding company, subsidiary company whether working in India or outside India but excluding independent directors ("Employees"), subject to the eligibility criteria and on such other terms as may be determined by the Board under the existing Plan as mentioned in the explanatory statement.

In addition to the above, the Company proposes to also align the Plan with the Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 ("SEBI Guidelines") which came into force on August 13, 2021 thereby replacing the erstwhile Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014. The brief details relating aforementioned resolutions are placed for the review of members and disclosures pursuant to the SEBI Guidelines and the Companies Act, 2013 and the rules made thereunder are as under:

The brief details relating aforementioned resolutions are placed for the review of members and disclosures pursuant to the SEBI Guidelines and the Companies Act, 2013 and rules made thereunder:

### 1) Details of variations in the Plan

#### a) The details of the major variations in the Plan as are under:

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
3(f)	"Committee" means the Compensation Committee that has been constituted/designated by the Board for administration and superintendence of the Scheme consisting of such members as may be required under Applicable Law(s) from time to time.	3(f)	"Committee" means the Nomination and Remuneration Committee constituted by the Board from time to time, to administer and supervise the Plan and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI SBEB & SE Regulations read with powers specified in this Plan.
-	No such sub-clause	3(ha)	"Death" for the purpose of this ESOP 2021 shall mean death of an Employee during the continuance of employment or service, which shall not include death due to suicide and any other reason(s) specified, if any, under the human resource policy of the Company.
-	No such sub-clause	3(hb)	"Director" means a member of the Board of the Company.
-	No such sub-clause	3(hc)	"Eligibility Criteria" means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
3(i)	"Eligible Employee" means an Employee of the Company and its Subsidiaries who qualifies for issue of Options under this Scheme and who fulfils the conditions as decided in the appraisal process by the Remuneration cum Compensation Committee and who is otherwise nominated by the Remuneration cum Compensation Committee as being eligible for issue of Options.	3(i)	"Eligible Employee" means an Employee of the Company and its Subsidiaries who qualifies for issue of Options under this Scheme and who fulfils the conditions as decided in the appraisal process by the Remuneration cum Compensation Committee and who is otherwise nominated by the Remuneration cum Compensation Committee as being eligible for issue of Options.



Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
	<p>However, the following persons shall not be eligible to participate in the Scheme:</p> <p>(i) a Promoter or any persons belonging to the Promoter group of the Company;</p> <p>(ii) a Director, who either by himself or through his Relative(s) or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.</p>		<p>However, the following persons shall not be eligible to participate in the Scheme:</p> <p>(i) a Promoter or any persons belonging to the Promoter group of the Company;</p> <p>(ii) a Director, who either by himself or through his Relative(s) or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.</p>
-	No such sub-clause	3(va)	<p><b>“Misconduct”</b> means disregard of the Company’s bye-law, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrongdoing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee.</p>
-	No such sub-clause	3(vb)	<p><b>“Notice Period”</b> the amount of time an employee must provide their employer before resigning from the job.</p>
3(z)	<p><b>“Promoter”</b> means the person(s) as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.</p>	3(z)	<p><b>“Promoter”</b> means the person(s) as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.</p>
3(aa)	<p><b>“Promoter group”</b> means the person(s) as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.</p>	3(aa)	<p><b>“Promoter group”</b> means the person(s) as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.</p>
-	No such sub-clause	3(ab)	<p><b>“Relevant Date”</b> means any of the following dates as the context requires:</p> <p>I. in the case of Grant, the date of the meeting of the Compensation Committee on which the Grant is made; or</p> <p>II. in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.</p>
-	No such sub-clause	3(ac)	<p><b>“Retirement”</b> means retirement or superannuation as per the rules of the Company.</p>
3(cc)	<p><b>“SEBI SBEB Regulations”</b> means the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and shall include any amendments, additions, deletions, modifications or variations thereof from time to time.</p>	3(cc)	<p><b>“SEBI SBEB Regulations”</b> means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and shall include any amendments, additions, deletions, modifications or variations thereof from time to time.</p>

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
-	No such sub-clause	3(ca)	<b>“Secretarial Auditor”</b> means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
-	No such sub-clause	3(ea)	<b>“Stock Exchange”</b> means the National Stock Exchange of India Limited, BSE Limited or any other recognized stock exchanges in India on which the Company's Shares are listed or to be listed.
-	No such sub-clause	3(eb)	<b>“Subsidiary Company”</b> means any present or future subsidiary company of the Company determined as per provisions of the Companies Act.
I.	<b>“Vested Option”</b> means an Option, which has vested with the Participant and has thereby become exercisable. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or Guidelines or Regulations issued thereunder including specifically the SEBI (ICDR) Regulations or the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 or any statutory modification or re-enactment thereof, as the case may be.	3(jj)	<b>“Vested Option”</b> means an Option, which has vested with the Participant and has thereby become exercisable. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or Guidelines or Regulations issued thereunder including specifically the SEBI (ICDR) Regulations or the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 or any statutory modification or re-enactment thereof, as the case may be.
II.	<b>“Long Leave”</b> means Leave granted to any eligible employee, which he/she is entitled as per the policy. The duration of such leave will be as decided by the Remuneration cum Compensation Committee.	3(kk)	<b>“Long Leave”</b> means Leave granted to any eligible employee, which he/she is entitled as per the policy. The duration of such leave will be as decided by the Remuneration cum Compensation Committee.
-	No such sub-clause	5.3	The Plan shall apply to the Company and its Subsidiary Company and any successor company thereof and Options may be granted to the Employees of the Company, as determined by the Committee at its sole discretion.  Provided further that in case of Grant of Options to Employees of any Group Company including that of the Subsidiary Company or Associate Company or Holding Company, the Company shall obtain prior approval of the shareholders of the Company by way of a special resolution and this Plan shall be applicable to such companies

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
-	No such sub-clause	8.7 & 8.8	<p>8.7. Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its discretion.</p> <p>8.8. At any time after the Effective Date and from time to time, the Committee may, as it deems fit, invite recommendations from the Board/ the chief executive officer/ management of the Company regarding Eligible Employees.</p>
10	No such sub-clause		10.8. The option holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued on exercise of option.
10	<p>10.2 There shall be a minimum period of one year between the grant of options and vesting of option.</p> <p>Subject to Participant's continuing the employment with the Company and Clause 9, the options granted to an employee shall vest in him or her as per the decision of the Nomination and Remuneration cum Compensation Committee which shall be based on the performance of the employee in different grades. The vesting schedule in the grant letter details this information of each employee separately.</p> <p>10.3. Provided that in a case where options are granted by the Company under an ESOP in lieu of options held by the same person under an ESOP in another company which has merged or amalgamated with the first mentioned company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required under this clause.</p> <p>10.4. There is no lock in period after the exercise of option.</p>	10	<p>10.2. Option granted under Plan shall vest as per vesting schedule recommended by the Committee. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental to the interest of the Employees, which shall be based on the performance of the employee in different grades. The vesting schedule in the grant letter details this information of each employee separately.</p> <p>Provided that in a case where options are granted by the Company under an ESOP in lieu of options held by the same person under an ESOP in another company which has merged or amalgamated with the first mentioned company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required under this clause.</p> <p>10.3. Vesting of the Options would be subject to continued employment with the Company, Subsidiary Company and if the Employee has not served any notice of resignation. Thus the Options would vest on completion of the vesting period. In addition to the continuation of employment / services, the Options shall vest subject to the achievement of the Vesting Conditions as approved by the Committee, further it may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which the options granted would vest and/or lock in period subject to which the Options would vest.</p>

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
			<p>10.4. As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of employment/ service nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.</p> <p>10.5. The options granted to the new employee as a joining bonus will vest only after the completion of three years of continuous service from the date of joining unless the Committee decides to reduce this period. Vesting is contingent upon the employee not serving a notice period or being subject to any disciplinary action during this time.</p> <p>10.8. The option holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued on exercise of option.</p>
11	<p><b><u>EXERCISE PRICE</u></b></p> <p>The Exercise price of the option shall be equal to the latest available closing price of the equity shares on the stock exchange where the shares are listed and where there is highest trading volume as on the date prior to the date of the committee resolution approving the grant.</p> <p>11.2. The Exercise price shall be paid to the Company in cash/cheque upon exercise of the Options.</p> <p>11.3. There is no upfront payment at the time of acceptance of grant.</p>	11	<p><b><u>EXERCISE PRICE</u></b></p> <p>The Exercise Price shall be as may be decided by the Committee at the time of grant.</p> <p>11.1. The stock options can be granted in two categories:</p> <ul style="list-style-type: none"> <li>• At the price as may be decide by the Committee, which in any case shall not be less than the face value of the Company.</li> <li>• The Committee after due discussion with the Board/ the chief executive officer/ management of the Company may set a minimum threshold of the target for the relevant financial year, below which, all the options for the respective period are forfeited and transferred to the pool. At achievement of threshold of the target, only certain % (as mutually decided by the committee after discussion with Board, management and other) of the allocated options get vested and at 100% achievement of target, all options granted for the said year get vested. If the relevant employee achieves more than 100% of the target, the employee will not be entitled to any additional options. If the employee achieves between threshold limit to 100% of the target, the vesting is on a prorated basis.</li> </ul> <p>11.2. The exercise Price can be different for different sets of Employees for Options granted on the same or various dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company to comply with the applicable laws Exercise period and process of exercise.</p>

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
			<p>11.3. The Exercise price shall be paid to the Company in cheque or by transfer in the Designated account of, Informed by the Company at the time of exercise of Options.</p> <p>11.4. There is no upfront payment at the time of acceptance of the grant.</p> <p>11.5. The Exercise Price shall be the price payable by the employee for exercising the Options granted to him under the Plan as may be decided by the Compensation Committee from time to time, such price being not less than the then existing Face Value of the Share of the Company.</p> <p>11.6. The Exercise Price shall be paid to the Company in cheque or by depositing and transferring the amount in the account designated by the Company for this behalf.</p> <p>11.7. There is no upfront payment at the time of acceptance of the grant.</p>
12.10	Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in clause 12.3 and 12.4 above and clause 13 below, the Options shall lapse.	12.10, 12.11, 12.12	<p>12.10. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.</p> <p>12.11. The Options not exercised within the Exercise Period shall lapse and the Employee shall have</p> <p>12.12. no right over such lapsed or cancelled Options.</p>
13	Termination of Employment	13	As decided by the Committee.
-	No such Clause	16A	<p><b><u>DEDUCTION/RECOVERY OF TAX</u></b></p> <p>16.A.1. The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.</p> <p>16.A.2. The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.</p> <p>16.A.3. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.</p>

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
-	No such Clause	19A	<p><b><u>NOTICES</u></b></p> <p>All notices of communication required to be given by the Company to an Option Grantee by virtue of this Plan shall be in writing. The communications shall be made by the Company in any one or more of the following ways:</p> <ol style="list-style-type: none"> <li>I. sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or</li> <li>II. delivering the communication(s) to the Option Grantee in person with acknowledgment of receipt thereof; and/ or</li> <li>III. emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or</li> <li>IV. at the email address provided by the Option Grantee after cessation of employment.</li> </ol>
-	No such Clause	19B	<p><b><u>JURISDICTION</u></b></p> <p>The Courts in Hyderabad, India shall have jurisdiction in respect of any or all matters, disputes or differences arising in relation to or out of this Plan.</p> <p>Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan:</p> <ol style="list-style-type: none"> <li>I. in any other court of competent jurisdiction; or</li> <li>II. concurrently in more than one jurisdiction</li> </ol>
21	<p><b><u>VARIATION OF TERMS OF ESOP</u></b></p> <p>21.1 The Company shall not vary the terms of the ESOP in any manner, which may be detrimental to the interests of the employees.</p> <p>21.2. The Company may by special resolution in a general meeting vary the terms of ESOP offered pursuant to an earlier resolution of a general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the option holders, except where the variation to the ESOP to meet any regulatory requirement.</p> <p>21.3. The provisions of clause 6.3 shall apply to such variation of terms as they do to the original grant of option.</p>	21	<p><b><u>VARIATION OF TERMS OF ESOP</u></b></p> <p>21.1. For efficient implementation and administration of the Plan and with the prior approval of the shareholders of the Company by way of a special resolution, the Committee may at its discretion revise the terms of the Plan and/ or terms of the Options already granted under the Plan subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.</p> <p>Provided that post listing the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.</p> <p>21.2. The Company may also re-price the Options which are not exercised, whether or not they have vested, if the Plan is rendered unattractive due to a fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.</p>

Existing Clause	Existing Provision	New Clause	Proposed Amendment to Provision under the Scheme
	21.4. The notice for passing special resolution for variation of terms of ESOP shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiary of such variation.		
-	No such Clause	24A	<b><u>LISTING OF THE SHARES</u></b> Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed.
25	<b><u>CONFIDENTIALITY</u></b> 25.1. The Participant shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under any statutes or regulations applicable to such Participant.	25	<b><u>CONFIDENTIALITY</u></b> 25.1. An Option Grantee must keep the details of the Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peers, colleagues, co-employees or with any Employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has the undisputed right to terminate any agreement and all unexercised Options shall stand canceled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee shall have the authority deal with such cases as it may deem fit. 25.2. On to acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

**b) Rationale for the variation of the Plan:**

- i. To reward and motivate employees for their long association to recognise their dedication service to the Company and also to attract and retain the best talent as more particularly set out in the description above.
- ii. The proposed amendments also contain certain editorial changes, to bring the consistency.
- iii. **The proposed amendments are not detrimental to the interests of the employees/ directors of the Company, its subsidiary companies or holding company, if any.**

**c) Details of the employees who are beneficiaries of such variation:**

The beneficiaries of the proposed variation are all existing options grantees and such other option grantees to whom options may be granted in the future.

**d) Other disclosures, as required under the SEBI Guidelines as well as the Companies Act and the rules framed thereunder**

S. No.	Particulars	Remark
1.	the total number of stock options to be granted;	Already mentioned above in the introductory part.
2.	identification of classes of employees entitled to participate in the Employees Stock Option Scheme;	The Employees to whom the Options would be granted and their Eligibility would be determined by the Nomination and Remuneration Committee as per the Plan.
3.	the appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme;	The appraisal process for determining the eligibility of the Employee will be specified by the Committee and will be based on various criteria such as seniority of Employee, length of service, performance record, merit of the Employee, future contribution potential of the Employee and/or such other criteria as may be determined by the Compensation Committee at its sole discretion.
4.	the requirements of vesting and period of vesting;	The minimum Vesting period of an Option shall not be less than a period of 12 months from the Date of Grant of the Option or such other period as may be decided by the Committee, in conformity with the provision of the Act and SEBI SBEBASE Regulations, and such other regulations applicable over the Company for the time being in the force.
5.	the maximum period within which the options shall be vested;	The maximum vesting period may extend up to 7 (Seven) years from the date of respective grant of Options, unless otherwise decided by the Nomination & Remuneration Committee.
6.	the exercise price or the formula for arriving at the same;	<p>Exercise Price means the price at which the Option grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme 2024.</p> <p>The Exercise Price shall be as may be decided by the Nomination and Remuneration Committee as is allowed under the Act and SEBI SBEBASE Regulations, which in any case will not be lower than the face value of the equity shares of the Company.</p> <p>Further the Exercise Price can be different for different set of Employees for Options granted on same / different dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the applicable laws</p>
7.	the exercise period and process of exercise	<p>In case of employees in service, the exercise period shall not be more than 5 (Five) years from the date of vesting of last tranche of Options granted to such Option Grantee. In case of retirement of employee under a voluntary retirement scheme or upon attaining superannuation age, the vested options can be exercised within the prescribed exercise period (as above).</p> <p>In case of termination of employment (other than for cause or abandonment) or resignation of the employee, the vested stock options shall be exercised on or before the date of separation from the employment.</p>
8.	the Lock-in period, if any ;	The lock-in period, if any, for the shares issued upon Exercise of Options will be determined by the Committee in accordance with this Plan and Applicable Laws.



S. No.	Particulars	Remark
9.	the maximum number of options to be granted per employee and in aggregate;	The maximum number of Option per Option Grantee shall not exceed 1% of the total issued capital of the Company (excluding conversion and warrants). If the maximum quantum of Option to any Option Grantee exceeds 1% of the total issued capital of the Company (excluding conversion and warrants) during any year, then the Grant to such Option Grantee shall be subject to the SEBI SBEBASE Regulations and the approval of the members of the Company.
10.	the method which the company shall use to value its options;	The Company shall use the fair value method for valuation of the Stock Options granted, to calculate the employee compensation cost.
11.	the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;	In case of death or permanent disability of an employee, all unvested options shall vest immediately. If the option grantee's employment with the Company is terminated by the Company for Cause or abandons employment or his office for a continuous period of 30 days, then all Unvested Options and all Vested Options that have not been exercised, shall lapse immediately on the date of such termination or abandonment. In the event of termination of employment (other than for a cause or abandonment as mentioned above), or resignation of the employee, stock options granted which are not vested on the option grantee on the date of termination of employment/resignation (as the case may be) will automatically lapse. If the option grantee retires under a voluntary retirement scheme of the Company, if any, or retires on attaining the superannuation age or onwards, all Options shall continue to vest in accordance with the respective vesting schedules under the Scheme, as applicable even after retirement or superannuation
12.	the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and	Determined by the Committee in accordance with this Plan and Applicable Laws.
13.	a statement to the effect that the company shall comply with the applicable accounting standards	The Company shall comply with the applicable accounting standards.

The Directors or Key Managerial Personnel may be deemed concerned or interested in the Resolution to the extent of the Options granted / may be granted to them and to their shareholding in the Company, if any.

None of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 10 of the accompanying Notice.

Based on the recommendation of the Compensation Committee, the Board recommends the Special Resolution set forth at Item No. 10 of the Notice for approval by the Members.

By the order of the Board  
For **Kellton Tech Solutions Limited**

Sd/-

**Krishna Chintam**  
Managing Director  
DIN: 01658145

Date: 05.09.2024  
Place: Hyderabad

## 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).**

Name of the Director	Srinivas Potluri	Niranjan Chintam
Date of Birth	September 10, 1965	June 29, 1967
Date of first appointment on the Board	December 31, 2009	December 23, 2008
Qualification	Graduated MBA from Northwestern University Kellogg School of Management.	MBA in Finance and General Management from the prestigious Wharton School of the University of Pennsylvania
Directorship in other Companies.	Apart from the current company, he is not a director in any other Listed Company	Apart from the current company, he is not a director in any other Listed Company
Number of Shares held in the Company including shareholding as a beneficial owner	3, 33,332	0
Disclosure of Inter-se relationship between Directors and KMP's	Not related to any Director and KMP	Mr. Niranjan Chintam and Mr. Krishna Chintam are brothers.
*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	-	Last remuneration drawn is Rs. 30,00,000/-. Remuneration sought- Rs. 1,20,00,000/-
Number of Board meetings attended during the year (FY 2023-24)	8	7
Listed Entity from which director has resigned in the past 3 years	-	-

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

## Brief Profiles

- **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.

Srinivas lives in Washington DC with his wife and daughter. He enjoys traveling, hiking, and socializing in his spare time.

- **Brief Profile of Mr. Niranjan Chintam**

Niranjan, the visionary founder of Kellton, has been the driving force behind the company's remarkable journey of growth and diversification. He has been instrumental in positioning Kellton on the global map as a leading IT services company, with a team strength of over 1800, and operations spread across eight countries, all working towards the common goal of driving digital transformation.

With over 30 years of global experience in finance, executive leadership, marketing, and strategy, Niranjan bestows his expertise as a board member for several organizations.

Bringing his vision and synergy to the table, he has helped enterprises reinvent and re-imagine their businesses amid the era of digital disruption. His innovative style of leadership has led several Fortune 500 companies and government agencies in the US and India to immense profitability.

Niranjan holds an MBA in Finance and General Management from the prestigious Wharton School of the University of Pennsylvania. He currently lives in Hyderabad, India with his family. In his leisure, you may find him reading or traveling in a quest to rediscover his cultural heritage and religion.

- **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.

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

### Dear Members,

Your Directors take pleasure in presenting the 30<sup>th</sup> 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, 2024.

### 1. HIGHLIGHTS OF FINANCIAL PERFORMANCE:

#### Consolidated:

During the period under review the Company recorded a total revenue from operations of Rs. 9,82,89,43,631 as against Rs. 9,17,32,58,067 in the previous financial year. Profit before tax (PBT) and Exceptional Items at Rs.71,90,65,213 as against Rs.69,79,71,868 in the previous financial year. Profit after tax (PAT) increased to Rs.64,01,09,602 as against Rs. (1,26,80,88,401)\* 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 Rs. 1,84,71,53,469 as against Rs. 1,70,85,40,306 in the previous financial year. Profit before tax (PBT) and Exceptional Items at Rs. 13,67,94,073 as against Rs. 13,30,59,072 in the previous financial year. Similarly, Profit after tax (PAT) increased to Rs. 9,95,44,172 as against Rs.9,48,93,316 in the previous financial year.

The summarized financial results of the Company for the period ended March 31, 2024 are as follows:

(Amt in Rs.)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	1,84,71,53,469	1,70,85,40,306	9,82,89,43,631	9,17,32,58,067
Other Income	1,09,81,897	2,22,48,451	1,83,31,263	2,22,48,451
<b>Total Revenue</b>	<b>1,85,81,35,366</b>	<b>1,73,07,88,757</b>	<b>9,84,72,74,894</b>	<b>9,19,55,06,518</b>
<b>Total Expenditure</b>	<b>1,72,13,41,293</b>	<b>1,59,77,29,685</b>	<b>9,12,82,09,681</b>	<b>8,49,75,34,650</b>
Profit / (Loss) before Exceptional items and tax	13,67,94,073	13,30,59,072	71,90,65,213	69,79,71,868
Exceptional Items	36,381	7,79,212	36,381	(1,84,07,11,681)*
Profit/(Loss) before taxes	13,68,30,454	13,38,38,284	71,91,01,594	(1,14,27,39,813)
Tax Expense	3,72,86,282	3,89,44,968	7,89,91,992	12,53,48,588
<b>Profit/(Loss) after Tax</b>	<b>9,95,44,172</b>	<b>9,48,93,316</b>	<b>64,01,09,602</b>	<b>(1,26,80,88,401)</b>
<b>Earnings per equity shares in Rs.</b>	<b>1.00</b>	<b>0.96</b>	<b>6.58</b>	<b>(13.56)</b>
Total Comprehensive Income for the period	<b>9,70,12,451</b>	<b>9,23,49,512</b>	<b>64,08,35,126</b>	<b>(1,30,88,54,323)</b>

\*In the FY 2022-23 the write off good will Rs.184 crores - non-operational balance sheet item.

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

Your Company is a global engineering and technology solutions company, delivering Intelligent Engineering and Technology Solutions for a Digital, Autonomous, and Sustainable Future. It engages with customers across their value chain helping to design, build, operate and maintain the products and services that make them leaders and respected brands in their industries and markets. Customers draw on the Company's expertise in engineering, manufacturing, and digital technology to deliver and support their next-generation solutions that meet the highest standards of safety, reliability and performance.

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, 2024 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, 2024 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 2023-24 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. 48,70,08,015 (Forty Eight Crore Seventy Lakh Eight Thousand Fifteen) divided into 9,74,01,603 (Nine Crore Seventy Four Lakh Ninety Ten Thousand Six Hundred Three) Equity Shares of Rs. 5/- (Rupees Five) each.

During the year under the review the Company has allotted 8,70,804 (Eight Lakh Seventy Thousand Eight Hundred Four) 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.

- I) The shareholders of the company have vide resolution passed at the 19<sup>th</sup> Annual General Meeting approved ESOP 2013 and has granted options to the employees.

S.No	Particulars	Allotment Date	No. of Shares issued	Capital Increased to
1.	ESOP	October 8, 2023	73,333	48,30,20,660
2.	ESOP	February 09, 2024	1,90,000	48,39,70,660
3.	ESOP	February 28, 2024	1,20,835	48,45,74,835
4.	ESOP	March 10, 2024	4,86,636	48,70,08,015

Disclosure regarding Employees Stock Option Plan and forming part of the Directors' Report for the year ended March 31, 2024 is as follows:

S.No	Particulars	Description
1.	Date of Shareholder'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	40,91,000
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

Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	11,82,503
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	33,333
Number of options vested during the year	5,52,511
Number of options exercised during the year	8,70,804
Number of shares arising as a result of exercise of options	8,70,804
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-
Loan repaid by the Trust during the year from exercise price received	
Number of options outstanding at the end of the year	2,78,366
Number of options exercisable at the end of the year	2,78,366

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

Further, a Certificate from the secretarial auditors of the Company as prescribed under SEBI (SBEB & SE) Regulations shall be placed before the members in the AGM. The same is also uploaded at <https://www.kellton.com/annual-general-meeting>

## 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:

### i. 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.

### ii. 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.

### iii. 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 2023-24 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 Act 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 2023-24**

- i. The Board of Directors at their meeting held on September 05, 2023 has appointed Mr. Satya Prasad Sayala (DIN- 08082530) as Independent Director, which was further confirmed by the Shareholders at the AGM held on September 30, 2023.



- ii. Mr. Srinivasa Rao Veera Venkata Pydisetty (DIN: 06805347), the Independent Director of the Company has tendered her resignation close of business hours on February 20, 2024. The Board placed on record its sincere appreciation for the contribution made by him during his tenure. Mr. P V V Srinivasa Rao has stated, he has tendered his resignation only because of his pre-occupation, and apart from this there is no material reason of his resignation.

S. No.	Name of the Director	DIN	Designation	Appointment/Cessation	Effective from
1.	Satya Prasad Sayala	08082530	Independent Director	Appointment	Sept 30, 2023
2.	Srinivasa Rao Veera Venkata Pydisetty	06805347		Cessation	Feb 20, 2024

**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, 2024 subject to approval of the Members of the Company and on terms and conditions including remuneration as mentioned in the Notice of the AGM.

S.No.	Name of the Director	DIN	Designation	Term	Effective from
1.	Niranjam Chintam	01658591	Executive Director & CFO	03 year	November 01, 2024

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 28, 2024 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 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 28, 2024, 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. 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)

## 19. 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:

- a. In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures.
- b. 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.
- c. 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.

- d. They have prepared the annual accounts of the Company on a going concern basis.
- e. They have laid down internal financial controls, which are adequate and are operating effectively.
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## **20. 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.

## **21. CONSOLIDATION OF ACCOUNTS:**

The Consolidated Financial Statements of the Company and its Subsidiaries ("the Group") for the year ended March 31, 2024 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, 2024 in the prescribed format AOC-1 is appended as **Annexure - I** 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 26<sup>th</sup> 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 31<sup>st</sup> 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 2023-24 and secretarial audit report for the financial year ended March 31, 2024 is enclosed as **Annexure-VI**.

### 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 Accountant, 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.	As per MCA, the total number of shares as of March 31, 2024, is 97,386,603. However, the shareholding pattern of BSE reflects 96,899,967. This discrepancy is due to the company receiving listing approval for 15,000 equity shares on April 5, 2024, and for 486,636 equity shares on April 10, 2024.	The Company allocated equity shares to employees under the Kellton Tech Solutions Limited Employee Stock Option Scheme 2013. Although these shares were allotted before the end of the financial year, the listing approval was received after the financial year closed, specifically on April 5 and April 10, 2024. This delay in receiving the listing approval has resulted in a discrepancy between the listed Capital (As per the website of Exchanges) and issued capital (as per MCA).
2.	The Company has filed form IEPF-2, is yet to be approved from MCA.	The company has Submitted IEPF-2, vide SRN- AA9792329, however the same has been rejected due to "Failed Investor Data Validation." The company has raised the ticket and waiting for the resolution of the same.
3.	Certain forms were submitted with late fees	Due to the recent migration of several forms from MCA V2 to V3, the company was unable to submit some forms on time. The company assures that it will take necessary precautions to prevent such occurrences in the future.

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 IV(B)**.

### 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 overviews 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 – VIII** 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.

Sl. No	Name of the Member	Designation
1.	Srinivasa Vijay Kumar Appana	Chairman
2.	Mr. Brijmohan Venkata Mandala	Member
3.	Mr. Niranjan Chintam	Member

### 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/legal-policies>.

During the financial year ended March 31, 2024, 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 - II**

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 2023-24, 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 - III** 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 - III** 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.

**For and on behalf of the Board of Directors**

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

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

Date: 05.09.2024  
Place: Hyderabad



(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.)

Sr.No.	Particulars	Details		
		Kellton Dbydx Software Private Limited	Kellton Tech Solutions Inc.	Kellton Tech Inc.
1.	<b>Name of the subsidiary</b>			
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2023 to March 31, 2024	January 01, 2023 to December 31, 2023	January 01, 2023 to December 31, 2023
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	65,30,98,776	38,77,54,800
5.	Reserves & surplus	1,13,96,062	(17,03,72,311)	(32,50,57,716)
6.	Total assets	2,46,14,523	1,63,98,82,376	76,24,91,429
7.	Total Liabilities	48,94,696	1,15,71,55,911	69,97,94,345
8.	Investments	Nil	Nil	Nil
9.	Turnover	10,42,09,938	4,80,40,97,113	2,33,90,01,870
10.	Profit before taxation	28,58,237	35,60,83,586	(1,04,94,76,528)
11.	Provision for taxation	(56035)	(58,12,000)	12,74,562
12.	Profit after tax	28,02,202	36,18,95,586	(1,05,07,51,090)
13.	Proposed Dividend	--	--	--
14.	% of shareholding	100	100	100

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

1. Names of subsidiaries which are yet to commence operations: Nil
2. 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	
1. Latest audited Balance Sheet Date	Not Applicable
2. Shares of Associate/Joint Ventures held by the company on the year end 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 <ul style="list-style-type: none"> <li>i. Considered in Consolidation</li> <li>ii. Not Considered in Consolidation</li> </ul>	

**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 arm's 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, 2024 which are not at arm's length basis.

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions incling the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Prosoft Technology Group Inc. (Step-down Subsidiary)	1 year, Sale of services	14,81,00,334	Amount as per monthly invoice raised based on transfer pricing guidelines	May 30, 2023	-
Kellton Tech Limited (Wholly Owned Subsidiary)	1 year, Sale of services	10,33,47,540	Amount as per monthly invoice raised based on transfer pricing guidelines	May 30, 2023	-
Lenmar Consulting Inc (Step-down Subsidiary)	1 year, Sale of services	2,55,70,294	Amount as per monthly invoice raised based on transfer pricing guidelines	May 30, 2023	-
Sreevidya Chintam & Niranjana Chintam (Relative of Key Managerial Personnel)	1 year, Rent paid for office building	2,11,06,536	Rent on monthly basis as per lease deed	May 30, 2023	-
Kellton Dbydx Software Private Limited (Subsidiary)	1 year, Sale of services	1,42,49,520	Amount as per invoice raised based on cost plus margin	May 30, 2023	-

**For and on behalf of the Board of Directors**

Sd/-

**Krishna Chintam Niranjana Chintam**  
Managing Director Whole-Time Director  
DIN: 01658145 DIN: 01658591

**Date:** 05.09.2024  
**Place:** Hyderabad

**Statement of Particulars as per Rule 5 of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**PART-A**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2023-24

<b>S. No</b>	<b>Name of the Director</b>	<b>Ratio of the remuneration to the median remuneration of the employees</b>
1.	Mr. Niranjan Chintam	2.91
2.	Mr. Krishna Chintam	2.91
3.	Mr. Karanjit Singh	5.33
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

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year 2023-24:

<b>S. No</b>	<b>Name of the Director/ KMP</b>	<b>Percentage increase in remuneration</b>
1.	Mr. Niranjan Chintam	Nil
2.	Mr. Krishna Chintam	Nil
3.	Mr. Karanjit 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

3. The number of permanent employees on the rolls of Company: **1673**
4. In the Financial Year 2023-24, there was an **increase of 16.05%** in the median Remuneration of employees.
5. 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, Combination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
6. 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.
7. 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 1,00,00,000 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**

## Report on Corporate Governance

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

### 1. KELLTON'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large.

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.

Kellton 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. The Company has inherited a robust, fair and transparent ethical governance, as embodied in the Kellton Tech Solutions' 'Code of Conduct'.

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.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance. 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:

#### WEBLINK:

Our comprehensive Policies and Code of Ethics and Business Conduct can be accessed on the Company's website under the 'Legal Policies' section, available at:

<https://www.kellton.com/legal-policies>

## STRONG GOVERNANCE POLICIES

Upholding the highest standards of dignity, distinction, and responsibility, the Company has implemented robust policies and guidelines to ensure ethical and transparent business practices, which consists of:

Data Protection Policy	Policy for Determination of Materiality of Events or Information	Kellton Anti Bribery Anti- Corruption Policy	Kellton Human Right Policy	Kellton Grievance Handling Policy
Dividend Distribution Policy	Board Diversity Policy	Code of Conduct	Corporate Social Responsibility Policy	Insider Trading Policy
Policy on Preservation of Documents	Policy on Remuneration	Policy on Subsidiaries	Related Party Transaction Policy	Risk Management Policy
Whistle Blower Policy	Terms & Conditions for Independent Director	Code of Unpublished Price Sensitive Information	Composition of Committees of Board of Directors	Prevention of Sexual Harassment at Workplace Policy
Code of Practices and Procedures for fair disclosure of UPSI	Minimum Standards for Code of Conduct for Listed Companies	Familiarization Programmes Details	Policy on Material Subsidiary	Payment Criteria to Directors of the Company

## 2. BOARD OF DIRECTORS

As on March 31, 2024, the Board of Directors of the Company comprised of **Eight\*** Directors. The Company has an Executive Chairman. The Executive Chairman and the Managing Director, who 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.

*\* Mr. Srinivasa Rao Veera Venkata Pydisetty (DIN: 06805347), the Independent Director of the Company has tendered his resignation on February 20, 2024 w.e.f close of business hours. The Board placed on record its sincere appreciation for the contribution made by him during his tenure. Mr. P V V Srinivasa Rao has stated, his resignation was only because of his pre-occupation, and apart from this there is no material reason.*

*Further, Mr. Satya Prasad Sayala (DIN: 08082530) has been appointed on the Board as an Independent Director on September 30, 2023.*

### a) Composition and Category of directors as on March 31, 2024:

1.	Mr. Niranjan Chintam	Chairman & Executive Director
2.	Mr. Krishna Chintam	Managing Director
3.	Mr. Karanjit Singh	Executive Director
4.	Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Director
5.	Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director
6.	Mr. Satya Prasad Sayala	Non-Executive Independent Director
7.	Ms. Geeta Goti	Non-Executive Independent Director
8.	Mr. Srinivas Potluri	Non-Executive Non- Independent Director

**b) Attendance of each director at the Board meetings held during the year 2023-24 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, 2023; August 14, 2023; September 05, 2023; October 06, 2023; November 10, 2023; February 09, 2024; February 13, 2024; February 28, 2024. 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, 2023.

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, 2023
Mr. Niranjan Chintam	8	8	Yes
Mr. Krishna Chintam	8	8	Yes
Mr. Karanjit 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	7	0	No
Ms. Geeta Goti	8	6	Yes
Mr. Satya Prasad Sayala	5	5	Yes*

\*Mr. Satya Prasad Sayala has attended the Annual General Meeting as a special invitee.

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 28, 2024, 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.

**c) Number of other directorship or Committees in which a Directors are member or Chairperson as at March 31, 2024:**

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	Nil	4	Nil	1	-
2.	Mr. Krishna Chintam	Nil	4	Nil	1	-
3.	Mr. Karanjit Singh	Nil	1	Nil	Nil	-
4.	Mr. Srinivas Potluri	Nil	Nil	Nil	Nil	-
5.	Mr. Srinivasa Vijay Kumar Appana	Nil	2	Nil	Nil	-
6.	Mr. Brijmohan Venkata Mandala	3	3	2	3	Southern Online Bio Technologies Ltd
7.	Mr. Satya Prasad	Nil	2	Nil	Nil	-
8.	Ms. Geeta Goti	Nil	Nil	Nil	Nil	-

\*excludes private companies, foreign companies and membership in committees other than stakeholder relationship and audit committee.



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

**d) Details of Board Meetings held during the year 2023-24:**

During the year, the Board of Directors of the Company met 8 (Eight) times.

S. No	Date of Board Meeting	Board Strength	Directors Attended
1.	May 30, 2023	8	7
2.	August 14, 2023	8	7
3.	September 05, 2023	8	7
4.	October 06, 2023	9	8
5.	November 10, 2023	9	8
6.	February 09, 2024	9	7
7.	February 13, 2024	9	8
8.	February 28, 2024	8	7

**e) 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.

**f) 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

**g) Web link where details of familiarization programmes imparted to independent directors is disclosed:**

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.kelltontech.com/investor>

**h) 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:

<b>Technology</b>	Expert experience in the information technology business, technology consulting and operations, emerging areas of technology such as digital, cloud and cyber security, intellectual property and knowledge of technology trends.
<b>Strategy and Planning</b>	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

<b>Global Experience / Domain Experience</b>	<ul style="list-style-type: none"> <li>• Knowledge and understanding of applicable key geographies.</li> <li>• Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory framework.</li> </ul>
<b>Governance, Risk and Compliance</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
<b>Stakeholder Value Creation</b>	Ability to understand processes for shareholder value creation and its contributory elements and critique interventions towards value creation for the other stakeholders.
<b>Culture Building</b>	Ability to contribute to the Board's role towards promoting an ethical organizational culture, eliminating conflict of interest, and setting & upholding the highest standards of ethics, integrity and organizational conduct.

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

Name of Director	Skills/Expertise/Competencies					
	Technol-ogy	Strategy and Planning	Global / Domain Experience	Governance, Risk and Compliance	Stakeholder Value Creation	Culture Building
Mr. Niranjana Chintam	✓	✓	✓	✓	✓	✓
Mr. Krishna Chintam	✓	✓	✓	✓	✓	✓
Mr. Karanjit Singh	✓	✓	✓	✓	✓	✓
Mr. Srinivas Potluri	✓	✓	✓	✓	✓	✓
Mr. Srinivasa Vijay Kumar Appana	✓	✓	✓	✓	✓	✓
Mr. Brijmohan Venkata Mandala	✓	✓	✓	✓	✓	✓
Mr. Satya Prasad Sayala	✓	✓	✓	✓	✓	✓
Ms. Geeta Goti	✓	✓	✓	✓	✓	✓

**i) Confirmation that Independent Directors fulfill the conditions specified in Listing Regulations, 2015:**

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, the Board of the Company is of the opinion that the Independent Directors fulfill 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.

**j) Detailed reasons for the resignation of Independent director before expiry of his term:**

During the year, Mr. Srinivasa Rao Veera Venkata Pydisetty (DIN: 06805347), one among the Independent Directors had resigned from his office **w.e.f** February 20, 2024.

He confirmed that due to personal reasons and commitments he would not be able to devote his time towards the affairs of the Company and hence submitted his resignation letter dated February 19, 2024 to the Company.

Further, he also confirmed that there is no other reason whatsoever whether material or otherwise.

### 3. AUDIT COMMITTEE

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.

**a) 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:
  - a. 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;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. 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 Company is constituted with 3 (three) directors comprising of 2 (two) Non – Executive Independent Directors and 1 (one) Executive Director. All members of the Audit Committee are financially literate and having expertise in accounting/financial management.

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

The Company Secretary of the Company acts as a Secretary to 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 29<sup>th</sup> Annual General Meeting of the Company held on September 30, 2023.

**c) Meetings and attendance during the year 2023-24:**

Name of the Member	Held during tenure	Attended
Brijmohan Venkata Mandala	5	5
Srinivasa Vijay Kumar Appana	5	5
Niranjan Chintam	5	5

**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.

**a) 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.

**b) Composition, name of members and Chairperson:**

Name of the Director	Status	Nature of Directorship
Srinivasa Vijay Kumar Appana	Chairman	Independent, Non-Executive
Brijmohan Venkata Mandala	Member	Independent, Non-Executive
Niranjan Chintam	Member	Whole-Time Director, Executive
**Srinivasa Rao Veera Venkata Pydisetty	Member	Independent, Non-Executive
*Satya Prasad Sayala	Member	Independent, Non-Executive

**\*\*** Mr. Satya Prasad Sayala, who was appointed as Independent Director of the Company, was inducted as a member of Nomination and Remuneration Committee **w.e.f** October 06, 2023.

**\*** Mr. Srinivasa Rao Veera Venkata Pydisetty, Independent Director and one among the members of the Nomination and Remuneration Committee has resigned **w.e.f** February 20, 2024.

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

**c) Meetings and Attendance during the year 2023-24:**

Name of the Member	Held during tenure	Attended
Srinivasa Vijay Kumar Appana	4	4
Brijmohan Venkata Mandala	4	4
Srinivasa Rao Veera Venkata Pydisetty	3	0
Niranjan Chintam	4	4
Satya Prasad Sayala	2	2

The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on September 30, 2023.

**d) 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

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.

### a) Name of the non-executive director heading the committee:

Mr. Brijmohan Venkata Mandala, Non-Executive – Independent director of the Company is the Chairperson of the Stakeholders' Relationship Committee **w.e.f** December 22, 2019.

### b) Name, designation and address of the Compliance Officer:

**Name: Mr. Rahul Jain**, Company Secretary and Compliance Officer

**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](mailto:compliance@kelltontech.com)

### c) Number of shareholder's complaints received during the financial year 2023-24:

S.No	Description	Received	Resolved	Pending
1	Non receipt of Electronic Credits	Nil	Nil	Nil
2	Non receipt of Annual Reports	Nil	Nil	Nil
3	Non receipt of Dividend Warrants	Nil	Nil	Nil
4	Non receipt of Refund order	Nil	Nil	Nil
5	SEBI	Nil	Nil	Nil
6	Stock Exchanges	Nil	Nil	Nil
<b>Total</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

d) **Number of complaints not solved to the satisfaction of shareholders:**

The Company has not received any complaints from the shareholders of the Company and hence there are no pending complaints regarding the same.

e) **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 Chintam	Member	Managing Director, Executive

f) **Details of Committee meetings held during the year:**

Name of the Member	Held during tenure	Attended
Brijmohan Venkata Mandala	1	1
Srinivasa Vijay Kumar Appana	1	1
Krishna Chintam	1	1

**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. Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

a) **Brief description of terms of reference:**

- I. Formulation of a detailed risk management policy which shall include:
  - a. 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.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- II. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- III. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- IV. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- V. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- VI. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- VII. Carrying out any other function as may be delegated by the Board from time to time.

**b) 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 Chintam	Member	Non-Independent, Executive Director

**c) Details of Committee meetings held and Attendance during the year:**

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

**7. SENIOR MANAGEMENT**

**a. Particulars of Senior Management including the changes therein since the close of the previous financial year**

Name	Designation/Category
Niranjan Chintam	Executive Director & Chief Financial Officer
Krishna Chintam	Managing Director & Chief Executive Officer
Karanjit Singh	Executive Director
Srinivas Potluri	Director
Brijmohan Venkata Mandala	Director
Srinivasa Vijay Kumar Appana	Director
Geeta Goti	Director
Satya Prasad Sayala <sup>@</sup>	Director
Srinivasa Rao Veera Venkata Pydisetty <sup>*</sup>	Director
Rahul Jain	Company Secretary

<sup>@</sup>Mr. Satya Prasad Sayala, was appointed as Independent Director of the Company w.e.f. September 30, 2023.

<sup>\*</sup>Mr. Srinivasa Rao Veera Venkata Pydisetty, was resigned from the office of the Independent director w.e.f. February 20, 2024.

**8. REMUNERATION OF DIRECTORS**

**i. Remuneration Policy:**

The remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with industry benchmarks and requirements of the law. The objective of the policy is to attract and retain skillful talent while delivering optimal value to the business. The executive remuneration policy is aligned with an objective to recognize the need to be competitive in the industry by ensuring fair and reasonable rewards for high levels of performance. The remuneration policy is available on the Company's website at <https://www.kellton.com/legal-policies>.



a. **Non-Executive Directors:**

The Company pays commission to its Non-Executive Directors and Independent Directors as per the remuneration matrix approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors and Independent Directors, does not exceed 1% of the net profits of the Company in any financial year. Independent Director of the Company are paid sitting fees for attending Board and Committee Meetings.

b. **Executive Director:**

Mr. Niranjana Chintam, Mr. Krishna Chintam and Mr. Karanjit Singh are the Executive Directors (hereinafter referred to as Executive Director) of the Company. The Board of Directors / Nomination and Remuneration Committee of the Board is authorized to decide the remuneration of the Executive Director, subject to the approval of the members. The remuneration structure comprises of Salary, Perquisites, Retirement benefits, Variable Pay and Equity based compensation. Annual increments are decided by the Nomination and Remuneration Committee within the limits approved by the members of the Company.

c. **Details of remuneration to the directors:**

(In Rupees)

Particulars	Executive			Non-Executive					
	Niranjana Chintam	Krishna Chintam	Karanjit Singh	Non-Independent Director	Independent Directors				
				Srinivas Potluri	Srinivasa Vijay Kumar Appana	Brijmohan-Venkata Mandala	P. V. V. SrinivasaRao	Geeta Goti	Satya Prasad
Salary	30,00,000	30,00,000	54,71,172	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-	-
PF Contribution	-	-	23,400	-	-	-	-	-	-
Sitting fees	-	-	-	-	-	-	-	75,000	-
<b>Total</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>54,94,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>

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

9. **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
2022-23	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	September 30, 2023 10:00 A.M.	06
2021-22		September 30, 2022 10:00 A.M.	01
2020-21		September 27, 2021 11:00 A.M.	02

Financial Year	Details of Special Resolutions
2022-23	<ol style="list-style-type: none"> <li>1. To appoint Mr. Satya Prasad (DIN: 08082530), as an Independent Director of the Company</li> <li>2. To re-appoint Mr. Krishna Chintam (DIN-01658145) as Managing Director and Chief Executive Officer on the Board of the Company</li> <li>3. To re-appoint Mr. Karanjit Singh (DIN- 06898258) as Whole-Time Director on the Board of the Company</li> <li>4. Increase the Overall Maximum Limit of Managerial Remuneration</li> <li>5. 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)</li> <li>6. 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</li> </ol>
2021-22	<ol style="list-style-type: none"> <li>1. To appoint Ms. Geeta Goti (DIN- 06866598) as Independent Women Director on the Board of the Company</li> </ol>
2020-21	<ol style="list-style-type: none"> <li>1. To re-appoint Mr. Niranjana Chintam (DIN:01658591) as Whole-Time Director of the Company</li> <li>2. To re-appoint Ms. Kunda Kalpana (DIN:07328517) as an Independent Director of the Company</li> </ol>

During the F.Y 2023-24, the Company did not have any Extra- Ordinary General Meeting also company has not taken any approval of the Shareholder through Postal Ballot.

**b. 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 website <https://www.kellton.com> for the benefit of the shareholders and public at large.
- (iii) Quarterly financial results are published in leading newspapers, viz. The Business Standard in English, and Mana Telangana 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):
- (vi) SEBI has initiated SCORES for processing the investor complaints in a centralized web based Redress System and Online Redressal of all the shareholder's complaints. The company is in compliance with the SCORES and redressed the shareholder's complaints well within the stipulated time.

## 10. GENERAL SHAREHOLDER' INFORMATION

<b>Date, Time &amp; Venue of Annual General Meeting</b>	<p><b>Date:</b> September 30, 2024  <b>Time:</b> 11:00 A.M.  <b>Venue:</b> 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.</p>	
<b>Financial Year</b>	April 01, 2023 to March 31, 2024	
<b>Dividend payment date</b>	NA	
<b>Listing on Stock Exchanges</b>	<p><b>BSE,</b>  Phiroze Jeejeebhoy  Towers - Dalal Street, Fort,  Mumbai - 400 023</p>	<p><b>National Stock Exchange of India Ltd (NSE) –</b>  Exchange Plaza, 5 Floor,  Bandra Kurla Complex,  Bandra (East), Mumbai - 400 051</p>
	<b>Stock Code-</b> 519602	<b>Stock Symbol-</b> KELLTONTEC
	Further, Company has paid the applicable Listing fees to both the Stock Exchanges.	
<b>Suspension of shares</b>	None of the securities of the Company were suspended from trading during the year.	
<b>Registrar and Transfer Agents</b>	<p><b>M/s XL Softech Systems Limited,</b>  3 Sagar Society, Road No. 2,  Banjara Hills, Hyderabad – 500 034, Telangana  <b>Tel:</b> 040 23545913 <b>Fax:</b> 040 23553214  <b>e-mail:</b> <a href="mailto:mail@xlsoftech.com">mail@xlsoftech.com</a></p>	
<b>Share Transfer System</b>	<p>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.</p> <p>The Company has signed a tripartite agreement with NSDL/CDSL and M/s. XL Softech Systems Limited to facilitate dematerialization 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.</p>	
<b>Dematerialization of Shares and Liquidity</b>	As on March 31, 2024, 9,63,72,567 shares representing 99.46% of shareholding have been dematerialized. The balance 5,27,400 equity shares representing 0.54% 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 <b>INE164B01022</b> .	
<b>Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity</b>	As on March 31, 2024, there were no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.	
<b>Commodity price risk or foreign exchange risk and hedging activities;</b>	Not Applicable	

<b>Plant locations/offices;</b>	<b>The Company operates from:</b> Plot No. 270, Udyog Vihar Phase -2, Gurgaon, Haryana- 122016, India and Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033, Telangana.	
<b>Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year</b>	<b>Ratings downgraded to IND BBB+/Negative/IND A2</b>	
<b>Registered Office/ address for correspondence</b>	<b>Investor correspondence may be addressed to:</b> <b>M/s. XL Softech Systems Limited,</b> 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: <a href="mailto:mail@xlsoftech.com">mail@xlsoftech.com</a>	<b>For Correspondence to the Company:</b> <b>Kellton Tech Solutions Limited</b> Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033, Telangana Tel No: 040-44333030 Email-id: <a href="mailto:compliance@kelltontech.com">compliance@kelltontech.com</a> Website: <a href="http://www.kelltontech.com">www.kelltontech.com</a>

**Distribution of Shareholding as on March 31, 2024 was as follows -**

**a) Categories of Shareholding-**

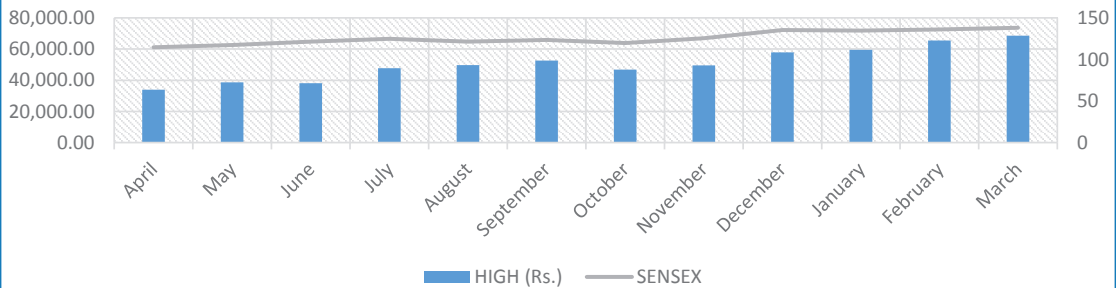
Category	No. of shares held	Percentage of shareholding
Promoters	23,94,384	2.47
Promoters Body Corporate	4,79,37,740	49.47
Mutual funds / UTI	-	-
Financial Institutions /Banks	-	-
Foreign Portfolio Investors	7,65,322	0.79
Alternative Investment Funds	-	-
Venture Capital Funds	-	-
Bodies Corporate	31,86,102	3.29
Foreign Bodies Corporate	-	-
Retail individuals/NRIs/Trusts /others	4,76,16,419	43.98
<b>Total</b>	<b>9,68,99,967</b>	<b>100</b>

**b) Distribution of Shareholding-**

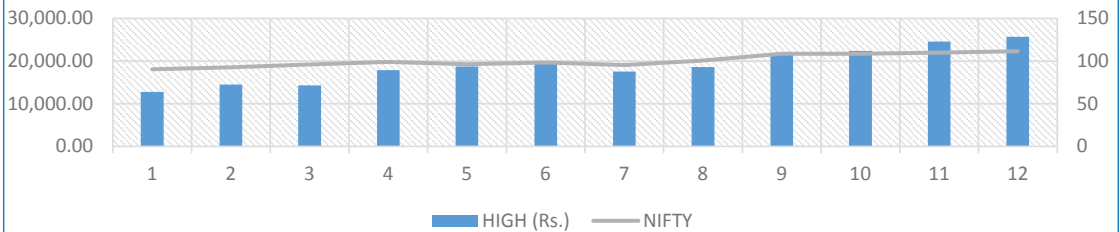
Sl.No	Category (Shares)	No. of Holders	% To Holders	Shares Amount	% To Equity
1	1-5000	1,50,416	90.63	6,83,07,085	14.10
2	5001-10000	8,540	5.15	3,43,95,665	7.10
3	10001-20000	3,753	2.26	2,86,23,855	5.91
4	20001-30000	1,243	0.75	1,59,32,365	3.29
5	30001-40000	516	0.31	93,00,050	1.92
6	40001-50000	470	0.28	1,11,53,395	2.30
7	50001-100000	611	0.37	2,31,32,665	4.77
8	100001 and above	421	0.25	29,36,54,755	60.61
	<b>Total</b>	<b>1,65,970</b>	<b>100.00</b>	<b>48,44,99,835</b>	<b>100.00</b>

MONTH	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	HIGH (Rs.)	LOW (Rs.)	SENSEX	HIGH (Rs.)	LOW (Rs.)	NIFTY
April	63.78	46.10	61,112.44	63.95	45.50	18,065.00
May	72.50	56.37	62,622.24	72.50	56.25	18,534.40
June	71.53	58.41	64,718.56	71.60	58.25	19,189.05
July	89.40	69.33	66,527.67	89.40	69.35	19,753.80
August	93.35	78.50	64,831.41	93.65	78.65	19,253.80
September	98.73	83.50	65,828.41	98.70	83.60	19,638.30
October	87.83	72.80	63,874.93	87.80	72.50	19,079.60
November	92.95	79.40	66,988.44	92.90	79.45	20,133.15
December	108.50	83.55	72,240.26	108.60	83.90	21,731.40
January	111.60	99.20	71,752.11	111.70	99.00	21,725.70
February	122.84	90.13	72,500.30	122.80	90.05	21,982.80
March	128.45	93.50	73,651.35	128.40	92.25	22,326.90

### Kellton Share price and BSE Sensex Movement



### Kellton Share price and NSE Nifty Movement



## 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	Loans and Advances		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Outstanding at the end of the year : Nil	Nil	Nil
2	Subsidiary	Loans and Advances		
		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, both Exchanges have imposed the Penalty of Rs. 1,180/- on account of one day delay in compliance of Regulation 13(3) of SEBI Listing Regulation, 2015, pertaining to statement on shareholder complaints within the period prescribed under this regulation or under any circular issued in respect of redressal of investor grievances for the quarter ended September 30, 2023.

Further, during the previous 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 of the fine.

### 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 Ombudsperson 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, 2024, 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.kellton.com/legal-policies>

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

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 <https://www.kellton.com/legal-policies>

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

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

**h. Details of utilization 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- IV-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 2023-24.

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

number of complaints filed during the financial year	Nil
number of complaints disposed of during the financial year	Nil
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 <https://www.kellton.com/legal-policies>

## 12. 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.

## 13. 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.

## 14. DISCLOSURES IN COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46

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-IV-D**.

## 15. DISCLOSURES w.r.t DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

### i. 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, 2024 your Company has 4,91,650 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 01.04.2023	351 members and 4,92,650 shares
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	2 Members
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	2 Members
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2024	349 members and 4,91,650 shares
5.	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Nil

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

### ii. 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: 091-022-24994200  
 Fax: 091-022-24972993/24976351  
 Email: [info@nsdl.co.in](mailto:info@nsdl.co.in)

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

Phiroze Jeejeebhoy Towers,  
 17th Floor, Dalal Street,  
 Mumbai - 400023.  
 Tel: 091-022-22723333  
 Fax: 091-022-22723199  
 Email: [investors@cdslindia.com](mailto:investors@cdslindia.com)



**iii. 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.

**iv. 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. <https://www.kellton.com/legal-policies>

**v. 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, 2024 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 IV- C** to this Report.

**vi. 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://www.kellton.com/legal-policies>

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 IV** to this Report.

## **Compliance with the 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 2023-24.

**Date:** 05.09.2024

**Place:** Hyderabad

Sd/-

**Krishna Chintam**

Managing Director cum CEO

DIN: 01658145

Sd/-

**Niranjan Chintam**

WTD cum CFO

DIN: 01658591

## Certificate on Corporate Governance

(Pursuant to Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

**The Members**

**Kellton Tech Solutions Limited**

Plot No 1367, Road No- 45 Jubilee Hills,  
Hyderabad, Telangana, India, 500033

I have examined the compliance of the conditions of Corporate Governance by Kellton Tech Solutions Limited bearing CIN: L72200TG1993PLC016819 (hereinafter referred to as "the Company") for the year ended March 31, 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, as 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, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2024.

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

Sd/-

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

Company Secretary in Practice

Membership Number: 5868

Certificate of Practice Number: 2886

Peer review Certificate No. 1506/2021

UDIN: A005868F001114195

Date : 03.09.2024

Place : Hyderabad

## 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 the 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, 2024 and that 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.

**Date:** 05.09.2024  
**Place:** Hyderabad

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

Sd/-  
**Niranjana Chintam**  
WTD cum CFO  
DIN: 01658591

## Certificate of Non-Disqualification of Directors

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

I, N. V. S. S. Suryanarayana Rao have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub I clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

SI No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Krishna Chintam Reddy	01658145	23/12/2008
2	Mr. Niranjan Chintam Reddy	01658591	23/12/2008
3	Mr. Karanjit Singh	06898258	30/03/2015
4	Mr. Brijmohan Venkata Mandala	00295323	09/11/2012
5	Mr. Srinivasa Vijay Kumar Appana	00299638	15/01/2019
6	Mr. Srinivas Potluri	03412700	31/12/2009
7	Ms. Geeta Goti	06866598	06/09/2022
8	Mr. Satya Prasad Sayala	08082530	30/09/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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:** A005868F001095761

**Date:** 31.08.2024

**Place:** Hyderabad

## Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

**[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,**  
Reg. Add.: Plot No 1367, Road No- 45 Jubilee Hills,  
Hyderabad, Telangana, India, 500033.

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, 2024 ('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 31 March 2024 ('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 2024, 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not Applicable to the Company during the Audit period)*
  - 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:
- a. Explosives Act 1984 and Rules 2008 framed thereunder;
  - b. The Air (Prevention & Control of Pollution) Act, 1981 and Rules framed thereunder;
  - c. The Water (Prevention & Control of Pollution) Act, 1974 and Rules 1975 framed thereunder (amended up to 1988);
  - d. The Hazardous and Other Waste (Management, Handling & Transboundary Movement) Rules, 2016;
  - e. The Environment (Protection) Act, 1986 and Rules framed thereunder;
  - f. Construction and Demolition Waste Management Rules, 2016;
  - g. Inter-state Migrant Workmen (Regulations of employment and conditions of services) Act, 1979;
  - h. The Building and other construction workers (Regulation of Employment and Conditions of Services) Act, 1996;
  - i. Contract Labour Act;

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,

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, we would like to outline the following points:

1. As per MCA, the total number of shares as of March 31, 2024, is 97,386,603 equity shares. However, the shareholding pattern of BSE reflects 96,899,967 equity shares. This discrepancy is due to the company receiving listing approval for 15,000 equity shares on April 5, 2024, and for 486,636 equity shares on April 10, 2024.
2. The Company has filed form IEPF-2, is yet to be approved from MCA.
3. Certain forms were submitted with late fees.
4. The NSE and BSE imposed a penalty of Rs. 1,180 for a one-day delay in complying with Regulation 13(3) of the SEBI Listing Regulations, 2015, related to investor grievance redressal for the quarter ended September

30, 2023. Additionally, in the previous financial year, the BSE imposed a penalty of Rs. 2,12,400 for non-compliance with Regulation 19 of the SEBI Listing Regulations, 2015. The Company requested a waiver of this penalty on the grounds of typographical and technical errors. In response, the Exchange, via a letter dated January 11, 2023, granted a complete waiver of the fine.

**Management Response:**

- 1 The Company allocated equity shares to employees under the Kellton Tech Solutions Limited Employee Stock Option Scheme 2013. Although these shares were allotted before the end of the financial year, the listing approval was received after the financial year closed, specifically on April 5 and April 10, 2024. This delay in receiving the listing approval has resulted in a discrepancy between the listed Capital (As per the website of Exchanges) and issued capital (as per MCA).
- 2 The company has Submitted IEPF-2, vide SRN- AA9792329, however the same has been rejected due to "Failed Investor Data Validation." The company has raised the ticket and waiting for the resolution of the same
- 3 Due to the recent migration of several forms from MCA V2 to V3, the company was unable to submit some forms on time. The company assures that it will take necessary precautions to prevent such occurrences in the future.
- 4 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.

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:** A005868F001095759

**Date:** 31.08.2024

**Place:** Hyderabad

*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.*



## Annexure-A

To  
**The Members,  
Kellton Tech Solutions Limited,**  
Reg. Add.: Plot No 1367, Road No- 45 Jubilee Hills,  
Hyderabad, Telangana, India, 500033.

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/-

**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: A005868F001095759

Date: 31.08.2024

Place: Hyderabad

## 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	<a href="mailto:compliance@kelltontech.com">compliance@kelltontech.com</a>	
7	Telephone	040 4433 3000	
8	Website	<a href="https://www.kelltontech.com">https://www.kelltontech.com</a>	
9	Financial Year reported	April 01, 2023 to March 31, 2024	
10	Name of the Stock Exchange(s) whereshares are listed	BSE Limited and National Stock Exchange of India Limited	
11	Paid Up Capital	Rs. 48,70,08,015	
12	Name and contact details of the person who may be contacted in case of any que-ries on the BRSR report	<b>Mr. Rahul Jain</b> (Company Secretary and Compliance Officer) <b>Mob:</b> 8103808311 <b>Email:</b> <a href="mailto:compliance@kelltontech.com">compliance@kelltontech.com</a>	
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:	<b>Locations</b>	<b>Number</b>
		<b>National</b> (No. of States)	06
		<b>International</b> (No. of Countries)	17
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 MainActivity	Description of Business Activity	% of Turnoverof 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:

Locations	Number of Stores	Number of offices	Total
National	0	3	3
International	0	7	7

### 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, insurance 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 the 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)	1370	1047	76.42	323	23.58	0	0
2	Other than permanent (E)	303	247	81.52	56	18.48	0	0
3	<b>Total employees(D + E)</b>	1673	1294	77.35	379	22.65	0	0
<b>WORKERS</b>								
4	Permanent (F)	Not Applicable						
5	Other than permanent (G)							
6	<b>Total workers(F + G)</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)	1370	1	0.07	0	0.00	0	0.00
2	Other than permanent (E)	303	0	0.00	0	0.00	0	0.00
3	<b>Total employees(D + E)</b>	1673	1	0.06	0	0.00	0	0.00
<b>WORKERS</b>								
4	Permanent (F)	Not Applicable						
5	Other than permanent (G)							
6	<b>Total workers(F + G)</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 2023-24				FY 2022-23				FY 2021-22			
	M	F	O	T	M	F	O	T	M	F	O	T
Permanent Employees	30.76	36.64	0	32.72	18.43	15.27	0	17.78	17.94	16.13	0	17.49%
Permanent Workers	Not Applicable											

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

**25. Names of holding/ subsidiary/ associate companies/ joint ventures (as at March 31, 2024)**

S. no.	Name of the holding / subsidiary / associate companies / jointventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares heldby the listed entity	Does the entity indicated at column A, participate inthe Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kellton DBYDX Software Pvt. Ltd.,	Subsidiary	100.00%	No
2	Kellton Tech Inc	Subsidiary	100.00%	No
3	Kellton TechSolutions Inc	Subsidiary	100.00%	No

**VI. CSR Details**

**26. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

**Turnover (In Rs. Lakhs):** 18,471.53

**Net worth (in Rs. Lakhs):** 16319.93

**VII. Transparency and Disclosure 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	GrievanceRedressalMechanism in Place. Yes/No If yes link	FY2024			FY2023			Re-remarks
		Number of complaints		Remarks	Number of complaints			
		filed during the year	pending resolution at close		filed during the year	pending resolution at close		
Communities	Yes, <a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>	0	Nil	NA	0	0	NA	
Investors <sup>#</sup>		Not Applicable						
Shareholders		0	Nil	*	3	0	*	
Employees <sup>@</sup>		0	0	NA	0	0	NA	
Customer		0	0	NA	0	0	NA	
Value Chain Partners	Not Applicable							

\*Complaints were regarding nonreceipt of dividends and same were resolved

<sup>#</sup>Other than Shareholders

<sup>@</sup>The Company, through its Grievance Redressal Policy, seeks to address employee concerns and complaints pertaining to human rights and labour practices. A Grievance Redressal Procedure with appropriate systems and mechanisms is available across all offices of Kelltons. It aims to facilitate open and structured discussions on grievances raised on labour practices and human rights

## OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Business Ethics	Risk	<p>Engaging in unethical business activities can result in legal and regulatory consequences, such as penalties and conflicts, threatening our financial security and tarnishing our image. Furthermore, these actions can erode the confidence of stakeholders, leading to a decline in sales, market dominance, and ultimately, a tarnished reputation.</p>	<p>The Corporate Governance Manual acts as a guide for the Board, management, and staff, offering advice and direction as we strive towards our vision, mission, and growth strategy driven by Environmental, Social, and Governance (ESG) factors to generate enduring value for all stakeholders.</p>	Negative
2.	Cyber-attack and hacking risk	Risk	<p>External attacks on network, malware, compromised credentials, Business email compromise via. Phishing and other cyber security risks may result in data loss and loss of reputation</p>	<ul style="list-style-type: none"> <li>Quarterly phishing assessment to assess the user awareness.</li> <li>Implementation of Privileged Access Management solution to provide additional security to identity.</li> <li>Implementation of enhanced Data Leakage prevention platform to protect the critical data Deployment of Zero Trust to further secure the corporate infra &amp; data.</li> <li>Validation of security posture annually by third party.</li> <li>Focus on endpoint patching to achieve desired compliance level, implementation of advanced endpoint protection solution, multifactor authentication enablement, Dark/ Deep web monitoring, cloud disaster recovery solution and information security awareness and trainings are some of the measures adopted to reduce this risk.</li> </ul>	Negative

5. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Corporate Governance	Opportunity	Our robust governance, commitment to upholding the highest standards of ethics and acceptance and adherence to all the evolving statutory requirements. The Company maintains an organizational - wide integration of responsible business conduct through a strong governance architecture.		<p><b>Positive and Negative</b> Through strong governance practices, we avoid any negative implications arising from non-compliance with governance regulations that pose the risk of reputational damage and has financial and legal implications attached to it.</p>
4.	Data Privacy	Risk	Breaches in data privacy can result in legal and monetary consequences, tarnish a firm's image, and lead to a decline in trust and business from customers and other stakeholders.	Our sturdy 'Data Leak Prevention' (DLP) instrument safeguards the intellectual assets of both our clients and us.	<p><b>Negative</b> A robust approach to data protection and cybersecurity safeguards us against any financial, regulatory and reputational implications attached to the same</p>
5.	Inclusion and Diversity	Opportunity	Diversity and inclusion in workforce allows the Company to tap into a variety of viewpoints, experiences, and concepts, propelling innovation, problem resolution, and decision-making. Practices that promote inclusion cultivate a nurturing atmosphere, boosting employee involvement, efficiency, and retention. Furthermore, a workplace that values diversity and inclusion enhances company's reputation, draws high-caliber talent, broadens our customer reach, and drives the growth and success of our business		<p><b>Positive</b> The refinement and warmth that our employees extend through their conduct is amplified by instilling a sense of belongingness and fulfillment in them, reflecting positively in our financial growth.</p>
6.	Transparency	Opportunity	Kellton upholds a commitment to transparency and openness across all aspects of its operations. Comprehensive communication to stakeholders are being done to achieve transparency to the best possible extent.	Policies are in place to ensure that the Company operates as a transparent organization. Appropriate procedures and actions are in place in case any deviation is observed.	<p><b>Positive</b> There are many positive financial / non-financial implications of being a transparent company, which improves the brand image.</p>

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Labour Practices	Opportunity	Our people are vital contributors to value creation and are our most valuable assets. We strive to attract qualified employees with relevant experience, provide them with best-in-class training, and develop their skills to propel Kellton to greater heights.	To foster a positive working culture, we have implemented progressive people practices aimed at retaining and attracting top talent. Our leadership regularly assesses our practices in this regard and adopts appropriate measures to enhance our workforce capabilities.	<b>Positive</b> Enhancing the experience of our employees directly contributes to the Company's productivity and enables us to attain our objectives and business performance over time.
8.	Strong governance oversight	Opportunity	The results will help us make decisions based on relevant data and meet increasing demands from regulators and reporting standards.		<b>Positive</b> Strong governance oversight ensures growth and strategic direction
9.	Talent retention & succession	Risk	This exercise also helps us identify risks and opportunities pertaining to those identified areas.		<b>Negative</b> High attrition could have negative operational implications, which are mitigated through talent retention initiatives
10.	Employee enablement & well being	Opportunity	The survey was conducted across diverse stakeholders including clients, vendors, community, shareholders, employees and top management		<b>Positive</b> Employee empowerment, learning and development and well-being initiatives lead to a productive workforce
11.	Risk of economic downturn	Risk	Higher inflation, rising interest rates, geopolitical and macroeconomic developments may impact the growth of business	Focus on an increase in the diverse customer base helps reduce this risk to some extent. More emphasis on up selling and cross-selling within industry verticals is thrust. Enhanced focus on customer connects and relationships	<b>Negative</b>
12.	Social media risk	Risk	Disclosure of corporate or client information on social media by employees or former employees	Employee awareness trainings organized, and social media policy is in place.	<b>Negative</b>



S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13.	Digitalization	Opportunity	Digitalization helps to automate and streamline business processes by reducing errors and therefore improves efficiency and accuracy. The Company can understand and meet the needs of their customers in a better way by leveraging customer data and insights can personalise their offerings and improve the customer experience.		<b>Positive</b>
14.	Economic Performance & Market Share	Opportunity	Economic performance and market share provides an opportunity which can attract investment and it is key for current investors to be satisfied with consistent returns.		<b>Positive</b>
15.	Risk and Crisis Management	Opportunity	Our vision for the future is guided by our proactive assessment of our external and internal risk and opportunities. Our Board maintains an oversight of all the emerging challenges and prospects through its risk management committee and takes strategic actions toward risk mitigation to ensure resilience and business continuity even in the face of disruption. A precautionary approach to risk management has been instrumental in propelling our growth forward throughout all these years.		<b>Positive and Negative</b> A precautionary approach to risk mitigation ensures business continuity even in the face of adversity and serves as an invaluable tool in mitigating any contingent liabilities.
16.	Supply Chain Management	Risk	Because of the heightened public awareness of any negative environmental and social impact, sustainable supply chain management has become an integral aspect of business strategy. It can significantly affect the growth trajectory, thus also affecting the overall return for the shareholders.	We are working closely with our suppliers to contain our overall environmental and social impact.	<b>Negative</b> Any disruption in the supply chain may hamper guests' services, reflecting adversely in our Financial Statements. <b>Positive</b> Transition to a robust supply chain helps us build financial and operational resilience.

## 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>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>c. Web Link of the Policies, if available</b>	<a href="https://www.kellton.com/legal-policies">https://www.kellton.com/legal-policies</a>								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<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>	<p>The Company recognizes its role in creating a positive impact in the lives of communities by identifying the core focus areas and achieving these commitments and goals through investor awareness programmes and CSR activities. The Company promotes healthy environment at the workplace and does not treat anybody differently based on their gender, race, caste, religion, marital status, disability or any other category and also believes in hiring the right talent based on merit. Presently, one-fourth (approx.) of our Company's permanent employees are women.</p> <p>For the employees' overall growth and to keep up with the evolving business climate, the Company believes in upskilling its workforce</p>								
<b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	<p><b><u>Inclusive Growth</u></b></p> <p>Through CSR activities, the Company has contributed to education, skills training, rural development and environment. Employee Well-being and Development Develop wellness programs, provide mental health support, and promote agricultural and related activity.</p> <p><b><u>Employee Diversity</u></b></p> <p>Approx 24% of the Company's permanent employees are women. The Company is working with several organizations to build the Diversity, Equity, and Inclusion framework.</p> <p><b><u>Energy &amp; Waste management</u></b></p> <p>The Company is gearing up for deepening its environmental commitments by promoting energy efficient equipment. We have a robust waste management system with the separation of dry and wet waste as well as solid waste management. In order to prevent food waste, we have launched initiatives that reduce food wastage and create awareness for all the stakeholders for avoiding wastage of food.</p>								

## Governance, leadership and oversight

### 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):

Doing business in a responsible and sustainable manner is one of the key imperatives for us. We continuously discuss with all our stakeholders to identify key ESG issues and have identified Ethical Business Conduct, Efficient and Transparent Customer Service, Corporate Governance, Risk Management, Human Capital Development, Engagement with Communities and Environmental Footprint as some of the most important issues.

We operate in full compliance with applicable rules and regulations and are overseen by a diverse and qualified Board of Directors, which sets strategic direction while ensuring the highest ethical standards. Together, management and the board work to maintain our reputation for integrity and excellence. We instituted practices like a Comprehensive Code of Conduct and Business Ethics, sound risk culture, digitization of business, launching innovative products, investment in emerging areas of cyber security and information security, Employee welfare policies, monitoring consumption of resources and taking targets towards reduction in consumption of electricity, fuel and paper and various other practices.

### 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies):

Niranjan Chintam	Executive Director-Chairperson
Krishna Chintam	Managing Director & Chief Executive Officer
Karanjit Singh	Executive Director
Srinivas Potluri	Non-Executive - Non Independent Director
Brijmohan Venkata Mandala	Non-Executive - Independent Director
Srinivasa Vijay Kumar Appana	Non-Executive - Independent Director
Geeta Goti	Non-Executive - Independent Director
Satya Prasad Sayala	Non-Executive - Independent Director

<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 **	D	D	D	D	D	D	D	D	D	Quarterly								
Compliance <sup>@</sup>	D	D	D	D	D	D	D	D	D	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

\*\* Performance against above policies and follow up action

@@with statutory requirements of relevance to the principles, and, rectification of any non-compliances

## D- Directors

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable

## 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					
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, the 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:

Particulars	FY2024	FY2023
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

Particulars	FY2024		FY2023	
	Number	Remarks	Number	Remarks
Number of complaints received about issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received about 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	FY2024	FY2023	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	0	0	-

2. Sustainable Sourcing

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

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

- a. Plastics (Including Packaging): NA
- b. E-Waste: NA
- c. Hazardous waste: NA
- d. 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	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	1047	724	69.15	1047	100	0	0	750	71.63	0	0
Female	323	221	68.44	323	100	255	78.95	0	0	0	0
Total	1370	945	68.98	1370	100	255	18.98	750	54.74	0	0
<b>Other than permanent employees</b>											
Male	65	65	100	65	100	0	0	0	0	0	0
Female	12	12	100	12	100	0	0	0	0	0	0
Total	77	77	100	77	100	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	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers and other than permanent worker</b>											
Male	Not Applicable										
Female											
Total											

### 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 de- posited 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 de- posited with the authority (Y/N/N.A)
PF	98.01%	0	Yes	96.02%	0	Yes
Gratuity	100%	0	Yes	100%	0	Yes
ESI	0.00%	0	NA	0%	0	NA
Others		-	-	-	-	-

### 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 workRate	Retention Rate	Return to Work Rate	Retention rate
Male	41	100	0	0
Female	12	100	0	0
Total	53	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.

Particulars	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>
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	FY2024			FY2023		
	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	FY2024			FY2023				
	Total (A)			Total (D)				
		NO.(B)	% (B/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
<b>Employees</b>								
Male	1370	1146	83.66	908	908	100.00	354	38.99
Female	303	254	83.75	236	236	100.00	97	41.10
Total	1673	1400	83.68	1144	1144	100.00	451	39.42
<b>Workers</b>								
Male	Not Applicable							
Female								
Total								

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

Category	FY2024			FY2023		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	%( D/C)
<b>Employees</b>						
Male	1370	1146	83.66	908	908	100
Female	303	254	83.75	236	236	100
Total	1673	1400	83.68	1144	1144	100
<b>Workers</b>						
Male	Not Applicable					
Female						
Total						



## 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**

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

Safety Incident / Number	Category	FY2024	FY2023
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

## 12. 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 2023-24 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

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

Particulars	FY2024			FY2023		
	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	5	0	NA
Health & Safety	0	0	NA	0	0	NA

**14. 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%

**15. 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

Particulars	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, News-paper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	- satisfaction surveys - Marketing and advertising - Complaint handling and feedback - Electronic communication – social media, Calls	It is a continuous process	Addressing requirements for products and grievances, if any
Suppliers/ CDMOs	No	- Regular interaction through online and offline meetings, phonecalls, e-mails - Conferences and workshops - In Person Meetings/Visits.	Daily	To share the specific requirements, Status update on product deliveries and other terms of trade.
Employees	No	- Trainings and development programmes - Performance management system - Emails. Written communication - circulars and internal publications - Employee engagement initiatives	Others, Need basis	For smooth functioning of business operations.
Investors	No	No-Annual General meeting - Investor presentations and conference calls - Investor conferences and meets - Press releases, Quarterly Results and newsletters	Quarterly Annually Need basis	To provide updates on company's operations and Financial Performance
Government/ Regulators	No	- Meetings and formal dialogue - Filings with the regulators	Others, Need basis	Business and Compliance related
Community	Yes	- CSR partnerships - Contribution towards various causes	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	FY2024			FY2023		
	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	1370	1047	76.42	1079	908	100
Other than Permanent	303	247	81.52	332	236	100
Total Employees	1673	1673	100.00	1144	1144	100
<b>Workers</b>						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

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

Category	FY2024					FY2023				
	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>Permanent Employees</b>										
Male	1047	0	0	1047	100	1079	0	0	1079	100
Female	323	0	0	323	100	322	0	0	322	100
<b>Other than Permanent</b>										
Male	247	0	0	247	100	196	0	0	196	100
Female	56	0	0	56	100	37	0	0	37	100
<b>Workers Permanent and other</b>										
Male	Not Applicable									
Female										

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

	Male		Female	
	Number	Median remuneration	Number	Median remuneration
<b>Board of Directors</b>	7	30	1	0.25
<b>Key Managerial Personal</b>	1	7.57	0	0
<b>Employees other than above</b>	982	10.65	188	7.72
<b>Workers</b>	Not Applicable			

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

\*\*Median Remuneration (Median remuneration/salary/wages of respective category as the case may be (Amt. in Rs. Lakhs)

**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	FY2024			FY2023		
	Filed	Pending	Remarks	Filed	Pending	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 complaint 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	Not Applicable

**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	FY24 (In Giga Joules)	FY23 (In Giga Joules)
Total electricity consumption (A)	5382.25	4464.67
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	5382.25	4464.67
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		0.26
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	FY24	FY23
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	FY24	FY23
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	FY24	FY23
Total Scope 1 emissions		0	0
(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) Metric tonnes of CO <sub>2</sub> equivalent	Metric tonnes of CO <sub>2</sub> equivalent	0	0
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> 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	FY24
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)	Nil	0
(Break-up by composition i.e by materials relevant to the sector	Nil	0
<b>Total ( A+B+C+D+E+F+G+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		

**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 WebLink
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 / regulations / guidelines which was not complied with	Details of thenon-compliance	Any fines/penalties / actiontaken by regulatory agencies such as pollution controlboards 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 /as-associations	The reach of trade and industry chambers/associations (State/National)
1	National Association of Software and Service Companies (NASSCOM)	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 FY24
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	FY24	FY23
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	FY2024		Remarks	FY2023		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:

Particulars	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

#### 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 31<sup>ST</sup> DAY OF MARCH, 2024**

**Pursuant to Section 135 of Companies Act, 2013 and Rule 8 of Companies  
(Corporate Social Responsibility Policy) Rules, 2014**

<b>1</b>	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.		
<b>2</b>	Composition of the CSR Committee			
	<b>Name of Director</b>	<b>Nature of Directorship / Designation</b>	<b>Number of Meetings Held</b>	<b>Number of Meetings Attended</b>
	Mr. Srinivasa Vijaya Kumar Appana	Independent Director, Chairperson	02	02
	Mr. Brijmohan Venkata Mandala	Independent Director, Member	02	02
	Mr. Krishna Chintam	Executive Director, Member	02	02
<b>3</b>	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>		
<b>4</b>	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable		
<b>5</b>	Details of CSR meeting held for during the FY2023-24	May 30, 2023, Feb 13, 2024		
<b>6</b>	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.	1. <b>2020-21 – Nil</b> 2. <b>2021-22- 1,64,678</b> 3. <b>2022-23 - (284,128)</b>		
<b>7</b>	Average net profit of the company as per section 135(5).	Rs. 10,47,27,334		
<b>8</b>	a) Two percent of average net profit of the company as per section 135(5)	Rs. 20,94,547		
	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. 2,84,128		
	d) Total CSR obligation for the financial year (8a+8b-8c).	Rs. 1,810,418		

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. 19,29,837	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 (9a+9b): ₹19,29,837/-
- 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 (9a+9b): ₹19,29,837/-
- 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 implementation - Through implementing agency	
							Name	CSR Registration Number
1	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	92,500	Yes	G Pulla Reddy Educational Institute	-
2	Scholarships to meritorious students below poverty line	Promoting Education among Children	No	Hyderabad, Telangana	98,848	Yes	Ryan International School ICSE Malad	-
3	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	50,000	Yes	Sri Avinash Degree college	-
4	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	1,60,000	Yes	Sri Gowthami Educational Institute	-
5	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	55,075	Yes	Sri Nagarjuna School	-
6	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	57,000	Yes	Malla Reddy Engineering College For Women	-
7	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	2,400	Yes	Govt. Degree College for Women, Begumpet	-
8	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	35,000	Yes	Sri Indu College	-
9	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	55,500	Yes	Don Bosco School of Excellence	-
10	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	65,014	Yes	Narayana Educational Academy	-
11	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	50,000	Yes	Tapasya Junior College,	-
12	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	11,63,500	Yes	National Institute of Technology, Warangal, Telangana	-
13	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	45,000	Yes	Kasturba Gandhi College for Women	-
<b>Total</b>					<b>19,29,837</b>			

S.No	Particular	Amount (In Rs.)
1	Two percent of average net profit of the company as per section 135(5)	20,94,547
2	Total amount spent for the Financial Year	19,29,837
3	Excess amount spent for the financial year [1-2]	1,19,419

**9. a) Details of Unspent CSR amount for the preceding three financial years:**

S.No	Preceding Financial Year	Amount-transferred to Unspent CSR Account under section 135 (6)	Amounts 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 / Ongo-ing
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	
c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

**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:

<b>Sr. No</b>	<b>Name</b>	<b>Category of Director</b>	<b>Designation</b>
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/-  
**Srinivas Vijay Kumar Appana**  
CSR Committee Chairman  
DIN: 00299638

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

**Date :** 05.09.2024  
**Place :** Hyderabad



Report of Independent Auditor on  
Standalone Financial  
Statement



## Independent Auditors' 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, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information. ("hereinafter 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, 2024 ;
- 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 :

Sl. 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 -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 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 Annexures 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 the Companies (Auditor's Report) Order, 2020 issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the "Annexure A", hereto a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 B". 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 and Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 - Based on our examination, which included test checks, we state that the company is presently using Tally software which has a feature of recording audit trail (Edit Log) facility for the financial year ended 31-03-2024. The same has been enabled and operated throughout the year for all the relevant transactions in the software. From our examination, we did not come across any instance of the audit trail facility being tampered with.

For **ANANT RAO & MALLIK**  
Chartered Accountants  
FRN: 006266S

**V. ANANT RAO**  
Partner  
M.No.: 022644  
UDIN : 24022644BKANVF2986

**Date:** 30.05.2024  
**Place:** Hyderabad

## Annexure `A' to the Independent Auditors' Report

(Referred to in paragraph 1 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 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 company did not have any Inventories during the FY 2023-24.

- (b) The company has been sanctioned working capital limits by – M/s. Bandhan Bank – Rs. 38 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 investments in subsidiaries and step-down subsidiaries in earlier years. However, there were no such investments during FY 2023-24.

(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 generally 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 with some delays. 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, 2024 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 31<sup>st</sup> March, 2024, on account of disputes is as follows :

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount involved (in Rs. Lakhs)</b>	<b>Amount deposited (in Rs. Lakhs)</b>	<b>Balance (in Rs. Lakhs)</b>	<b>Period to which the amount Relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act,1961	Demand u/s 143(3)	907.00	NIL	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 the size and nature of its business.
- (b) The Reports of the Internal Auditor teams for FY 2023-24 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 2023-24) and during the immediately preceding financial year (FY 2022-23).
- (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 Private Limited – included in the consolidated financial statements.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN: 0062665

**V. ANANT RAO**

Partner

M.No.: 022644

UDIN : 24022644BKANVF2986

**Date:** 30.05.2024

**Place:** Hyderabad



## Annexure `B' to the Independent Auditors' Report

(Referred to in paragraph 2(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, 2024 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN: 006266S

**V. ANANT RAO**

Partner

**M.No.:** 022644

**UDIN :** 24022644BKANVF2986

**Date:** 30.05.2024

**Place:** Hyderabad

## Balance Sheet As At 31<sup>st</sup> March, 2024

(Amount in Rs)

	NOTE	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5.1	12,60,81,626	9,49,38,809
Right to use Assets	5.2	6,07,37,545	9,65,69,780
Capital work in progress	6.1	18,15,01,808	-
Goodwill	6.2	9,62,50,000	9,62,50,000
<b>Financial assets</b>			
Investments	7	86,92,18,034	86,92,18,034
Other financial assets	8	1,35,52,935	80,24,641
Deferred tax assets (net)	9	2,20,08,240	1,60,70,162
Other non-current assets	10	1,17,32,526	2,25,66,964
		<b>1,38,10,82,714</b>	<b>1,20,36,38,390</b>
<b>Current assets</b>			
Inventories	28	-	-
<b>Financial assets</b>			
Trade receivables	11	59,40,50,779	53,48,21,126
Cash and cash equivalents	12.1	18,75,226	24,11,117
Bank balances other than cash and cash equivalents	12.2	6,97,17,086	6,62,18,554
Other financial assets	13	39,99,59,470	30,04,28,681
Current Tax Assets		4,14,81,865	2,98,87,938
Other current assets	14	9,26,54,256	9,04,50,336
		<b>1,19,97,38,682</b>	<b>1,02,42,17,752</b>
<b>TOTAL ASSETS</b>		<b>2,58,08,21,396</b>	<b>2,22,78,56,142</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	48,70,08,015	48,26,53,995
Other equity	16	1,14,49,84,700	1,02,53,79,206
		<b>1,63,19,92,715</b>	<b>1,50,80,33,201</b>

## Balance Sheet (Contd.)

	NOTE	As at March 31, 2024	As at March 31, 2023
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	8,77,49,636	6,90,48,853
Other non-current liabilities	18	-	35,21,655
Provisions	19	6,17,05,960	4,52,88,307
Lease Liabilities	20	6,91,87,714	10,22,40,451
		<b>21,86,43,310</b>	<b>22,00,99,266</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	40,70,58,933	26,62,83,810
Trade payables	22	2,64,80,609	4,47,96,281
Other financial liabilities	23	9,77,15,331	6,03,31,873
Other current liabilities	24	7,31,35,519	7,25,50,921
Provisions	25	12,57,94,979	5,57,60,790
		<b>73,01,85,371</b>	<b>49,97,23,675</b>
		<b>94,88,28,681</b>	<b>71,98,22,941</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,58,08,21,396</b>	<b>2,22,78,56,142</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 : 24022644BKANVF2986

Sd/-  
**Niranjana Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30.05.2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Statement of Profit and Loss As at 31<sup>st</sup> March, 2024

(Amount in Rs)

	NOTE	For the year ended	
		March 31, 2024	March 31, 2023
Revenue from operations	26	1,84,71,53,469	1,70,85,40,306
Other income	27	1,09,81,897	2,22,48,451
<b>Total income</b>		<b>1,85,81,35,366</b>	<b>1,73,07,88,757</b>
<b>Expenses</b>			
Cost of materials consumed	28	-	32,54,365
Employee benefits expense	29	1,28,86,02,414	1,22,33,92,700
Finance costs	30	7,71,83,797	5,46,47,259
Depreciation and amortization expense	31	7,06,94,102	5,97,25,517
Other expenses	32	28,48,60,980	25,67,09,844
<b>Total expenses</b>		<b>1,72,13,41,293</b>	<b>1,59,77,29,685</b>
<b>Profit / (Loss) before Exceptional items and tax</b>		<b>13,67,94,073</b>	<b>13,30,59,072</b>
Exceptional Items		36,381	7,79,212
<b>Profit / (Loss) before tax</b>		<b>13,68,30,454</b>	<b>13,38,38,284</b>
<b>Tax expense:</b>			
Current tax		4,42,04,000	4,16,37,000
Tax/(credit) in respect to earlier years		(4,08,973)	(3,22,604)
Deferred tax		(65,08,745)	(23,69,428)
<b>Profit (Loss) for the period from continuing operations</b>		<b>9,95,44,172</b>	<b>9,48,93,316</b>
<b>Profit/(loss) for the period</b>		<b>9,95,44,172</b>	<b>9,48,93,316</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		(19,61,054)	(19,70,414)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5,70,667)	(5,73,390)
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>(25,31,721)</b>	<b>(25,43,804)</b>
<b>Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>9,70,12,451</b>	<b>9,23,49,512</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic	33	1.00	0.96
Diluted		1.00	0.95

## Statement of Profit and Loss (Contd.)

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 : 24022644BKANVF2986

Sd/-  
**Niranjana Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30.05.2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Statement of Cash Flow As at 31<sup>st</sup> March, 2024

(Amount in Rs)

	For the year ended	
	March 31, 2024	March 31, 2023
<b>Cash flow from Operating Activities</b>		
Profit for the Period	13,68,30,454	13,38,38,284
Adjustments for :		
Depreciation and amortization expense	7,06,94,102	5,97,25,517
Expense on employee stock based compensation	41,54,091	61,44,597
Allowance for doubtful debt	28,49,121	-
Bad Debts	-	41,57,114
Finance costs	7,71,83,797	5,46,47,259
Profit on disposal of property, plant and equipment	36,381	7,79,212
<b>Changes in operating assets and liabilities</b>		
Trade receivables	(6,20,78,774)	(6,74,804)
Other assets	(9,71,90,844)	(5,89,23,269)
Trade payables	(1,83,15,672)	87,83,412
Other liabilities	(23,66,390)	(43,12,074)
Provisions	8,39,20,122	2,74,14,009
<b>Net cash provided by operating activities before taxes</b>	<b>19,57,16,387</b>	<b>23,15,79,258</b>
Income taxes paid	5,53,88,955	6,10,55,349
<b>Net cash provided by operating activities</b>	<b>14,03,27,432</b>	<b>17,05,23,909</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(6,60,41,064)	(2,42,58,423)
Capital work in progress	(18,15,01,808)	-
<b>Net cash (used in) or provided by investing activities</b>	<b>(24,75,42,872)</b>	<b>(2,42,58,423)</b>
<b>Cash flow from financing activities</b>		
Proceeds from Issue of share capital under ESOP scheme	2,35,55,251	9,46,725
Finance costs paid	(7,71,83,797)	(5,46,47,259)
Change in loans and borrowings	19,68,59,364	(2,85,40,261)
Repayment of Lease liabilities	(3,30,52,737)	(2,54,31,832)
<b>Net cash used in financing activities</b>	<b>11,01,78,081</b>	<b>(10,76,72,627)</b>
<b>Net increase in cash and cash equivalents</b>	<b>29,62,641</b>	<b>3,85,92,859</b>
Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period	6,86,29,671	3,00,36,812
<b>Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period</b>	<b>7,15,92,312</b>	<b>6,86,29,671</b>

## Statement of Cash Flow (Contd.)

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 : 24022644BKANVF2986

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30.05.2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949



## Statement of changes in equity for the year ended March 31, 2024

Particulars	No of Shares
(a) Equity share capital (Balance at the April 1, 2023)	9,65,30,799
Add: Shares capital issued under ESOP scheme	8,70,804
<b>Balance at the March 31, 2024</b>	<b>9,74,01,603</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	Other comprehensive income	
<b>Balance as at April 1, 2022</b>	5,67,350	1,35,51,494	13,34,67,753	1,69,58,253	75,94,04,712	47,48,784	92,86,98,346
Total Comprehensive Income for the year comprising of:							
(i) Profit for the period					9,48,93,316		9,48,93,316
(ii) Other comprehensive income (net of taxes)						(25,43,804)	(25,43,804)
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 as at March 31, 2023</b>	5,67,350	1,35,51,494	13,42,39,483	2,05,17,871	85,42,98,028	22,04,980	1,02,53,79,206
<b>Balance as at April 1, 2023</b>	5,67,350	1,35,51,494	13,42,39,483	2,05,17,871	85,42,98,028	22,04,980	1,02,53,79,206
Total Comprehensive Income for the year comprising of:							
(i) Profit for the period					9,95,44,172		9,95,44,172
(ii) Other comprehensive income (net of taxes)						(25,31,721)	(25,31,721)
Other Changes (Specified as under) :							
Issue of equity shares under ESOP Scheme			1,92,01,231				1,92,01,231
Compensation cost related to employee share based payment				33,91,812			33,91,812
<b>Balance at the March 31, 2024</b>	5,67,350	1,35,51,494	15,34,40,714	2,39,09,683	95,38,42,200	(3,26,741)	1,14,49,84,700

## Statement of changes in equity (Contd.)

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 : 24022644BKANVF2986

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30.05.2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Notes Forming Part of Standalone Financial Statements

### Material Accounting Policies for Standalone Statements 31<sup>st</sup> March, 2024

#### 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

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Revenue from fixed price maintenance type contracts is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from other fixed-price contracts is recognized rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognize such revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

When performance obligation is satisfied over the time, the Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion

method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

**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 material accounting policies**

This note provides a list of the Material 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**

oreign 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**

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company has disclosed segment information only in consolidated financial statements which are presented together with the standalone financial statements.

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.



**Note No. 5.1 Property, plant and equipment**

Particulars	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
<b>Gross carrying value</b>							
<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>
<b>Accumulated depreciation</b>							
<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>Gross carrying value</b>							
<b>At April 1, 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>
Additions	1,02,54,808	13,81,762	4,63,68,519	18,48,083	61,51,511	-	6,60,04,683
Disposals / adjustments			(25,01,603)				(25,01,603)
<b>At March 31, 2024</b>	<b>1,31,14,095</b>	<b>87,31,316</b>	<b>14,52,57,614</b>	<b>6,02,56,056</b>	<b>5,87,35,434</b>	<b>2,68,94,471</b>	<b>31,29,88,986</b>
<b>Accumulated depreciation</b>							
<b>At April 1, 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>
Depreciation expense	5,25,808	9,09,218	2,17,87,290	55,29,598	50,64,288	10,45,664	3,48,61,866
Disposals / adjustments			(25,01,603)				(25,01,603)
<b>At March 31, 2024</b>	<b>26,09,284</b>	<b>63,76,675</b>	<b>8,45,08,875</b>	<b>3,46,49,315</b>	<b>3,66,97,428</b>	<b>2,20,65,784</b>	<b>18,69,07,360</b>
<b>Net block March 31, 2024</b>	<b>1,05,04,812</b>	<b>23,54,641</b>	<b>6,07,48,740</b>	<b>2,56,06,741</b>	<b>2,20,38,006</b>	<b>48,28,687</b>	<b>12,60,81,626</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>

### Note No. 5.2 Right of use assets

	Office premises
<b>Gross block (at cost)</b>	
As at April 1, 2022	13,00,95,493
Additions	8,78,32,527
<b>As at March 31, 2023</b>	<b>21,79,28,020</b>
<b>Accumulated Amortization</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>Gross block (at cost)</b>	
As at April 1, 2023	21,79,28,020
Additions	-
<b>As at March 31, 2024</b>	<b>21,79,28,020</b>
<b>Accumulated Amortization</b>	
As at April 1, 2023	12,13,58,240
Charge for the year	3,58,32,235
<b>As at March 31, 2024</b>	<b>15,71,90,475</b>
<b>Net block</b>	
<b>As at March 31, 2024</b>	<b>6,07,37,545</b>
<b>As at March 31, 2023</b>	<b>9,65,69,780</b>

### Note No. 6.1 Capital work in progress

	Capital work in progress
<b>Gross carrying value</b>	
<b>At April 1, 2022</b>	-
Additions	-
Disposals / adjustments	-
<b>At March 31, 2023</b>	-
<b>Accumulated Amortization</b>	
<b>At April 1, 2022</b>	-
Amortisation expense	-
Disposals / adjustments	-
<b>At March 31, 2023</b>	-

<b>Gross carrying value</b>	
<b>At April 1, 2023</b>	-
Additions	18,15,01,808
Disposals / adjustments	-
<b>At March 31, 2024</b>	<b>18,15,01,808</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2023</b>	-
Amortisation expense	-
Disposals / adjustments	-
<b>At March 31, 2024</b>	-
<b>Net block March 31, 2024</b>	<b>18,15,01,808</b>
<b>Net block March 31, 2023</b>	-

#### Note No. 6.2 Good Will

	<b>Good Will</b>
<b>Gross carrying value</b>	
<b>At April 1, 2022</b>	<b>9,62,50,000</b>
Additions	-
Disposals / adjustments	-
<b>At March 31, 2023</b>	<b>9,62,50,000</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2022</b>	-
Amortisation expense	-
Disposals / adjustments	-
<b>At March 31, 2023</b>	-
<b>Gross carrying value</b>	
<b>At April 1, 2023</b>	<b>9,62,50,000</b>
Additions	-
Disposals / adjustments	-
<b>At March 31, 2024</b>	<b>9,62,50,000</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2023</b>	-
Amortisation expense	-
Disposals / adjustments	-
<b>At March 31, 2024</b>	-
<b>Net block March 31, 2024</b>	<b>9,62,50,000</b>
<b>Net block March 31, 2023</b>	<b>9,62,50,000</b>

## NON-CURRENT ASSETS

### FINANCIAL ASSET

#### Note No. 7 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>1) Investment in equity instruments (unquoted) Wholly owned subsidiaries (At Cost)</b>		
8,323,765 (March 31, 2023: 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, 2023: 547,068) fully paid equity shares in Kellton Tech Inc	31,18,36,382	31,18,36,382
2,380 (March 31,2023: 2380) fully paid equity shares in Kellton Tech Solution Inc	51,68,02,359	51,68,02,359
0 (March 31, 2023: 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, 2024	As at March 31, 2023
Security deposits		
Unsecured considered good	1,35,52,935	80,24,641
<b>Total</b>	<b>1,35,52,935</b>	<b>80,24,641</b>

#### Note No. 9 Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax assets</b>		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	29,05,440	27,11,655
Provision for doubtful debts	7,17,067	-
Provision for gratuity and leave encashment	1,62,58,994	1,19,31,312
Right of use asset and lease liability	21,26,739	14,27,195
Total Deferred tax assets	2,20,08,240	1,60,70,162
<b>Deferred tax assets after set off</b>	<b>2,20,08,240</b>	<b>1,60,70,162</b>

#### Note No. 10 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposit	84,89,108	1,86,89,108
Prepaid expenses	10,80,891	9,53,050
Other non current assets-ESOPS	21,62,527	29,24,806
<b>Total</b>	<b>1,17,32,526</b>	<b>2,25,66,964</b>

## FINANCIAL ASSETS

### Note No. 11 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured )		
Considered good	59,68,99,900	53,48,21,126
Less: Allowance for doubtful debts	(28,49,121)	-
<b>Total</b>	<b>59,40,50,779</b>	<b>53,48,21,126</b>

### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	59,40,50,779	28,49,121	-	-	-	59,68,99,900
<b>As at March 31,2024</b>	<b>59,40,50,779</b>	<b>28,49,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,68,99,900</b>

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	53,09,83,847	38,37,279	-	-	-	53,48,21,126
<b>As at March 31,2023</b>	<b>53,09,83,847</b>	<b>38,37,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,48,21,126</b>

### Note No. 12.1 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	97,985	81,256
Balances with banks in current accounts	17,77,241	23,29,861
<b>Cash and cash equivalents as per balance sheet</b>	<b>18,75,226</b>	<b>24,11,117</b>

### Note No. 12.2 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposit with banks	6,97,17,086	6,62,18,554
<b>Total</b>	<b>6,97,17,086</b>	<b>6,62,18,554</b>

### Note No. 13 Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to employees	22,96,795	9,21,218
Accrued Revenue	18,10,89,699	5,83,59,999
Other Advances	21,65,72,976	24,11,47,464
<b>Total</b>	<b>39,99,59,470</b>	<b>30,04,28,681</b>

#### Note No. 14 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	5,32,36,728	2,64,89,063
Others	3,94,17,528	6,39,61,273
<b>Total</b>	<b>9,26,54,256</b>	<b>9,04,50,336</b>

#### Note No. 15 Equity share capital

a)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
12,00,00,000 (March 31, 2023: 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>		
9,74,01,603 (March 31, 2023: 9,65,30,799 ) equity shares of Rs 5/- each fully paid	48,70,08,015	48,26,53,995
	48,70,08,015	48,26,53,995

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, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,65,30,799	48,26,53,995	9,64,95,800	48,24,79,000
Add: Shares issued on exercise of employee stock options	8,70,804.00	43,54,020	34,999	1,74,995
Add: Bonus shares issued *			-	-
Number of shares outstanding at the end of the period	9,74,01,603	48,70,08,015	9,65,30,799	48,26,53,995

#### 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, 2024		As at March 31, 2023	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,07,54,356	41.84%	4,07,54,356	42.22%
2.Kellton Wealth Management LLP	71,83,384	7.38%	71,83,384	7.44%

\*The shareholding 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, 2023:

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,2024**

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	1.17%	0.00%
Sreevidya Chintam	9,02,776	-	9,02,776	0.93%	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	7.38%	0.00%
Matnic Finvest LLP	4,07,54,356	-	4,07,54,356	41.84%	0.00%
<b>Total</b>	<b>5,03,32,124</b>	<b>-</b>	<b>5,03,32,124</b>	<b>51.67%</b>	<b>0.00%</b>

**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	42.22%	0.00%
<b>Total</b>	<b>5,03,32,124</b>	<b>-</b>	<b>5,03,32,124</b>	<b>52.14%</b>	<b>0.00%</b>

**Note No. 16 Other equity**

Particulars	As at March 31, 2024	As at March 31, 2023
<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.	15,34,40,714	13,42,39,483
<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' un-distributed earnings after taxes.	95,38,42,200	85,42,98,028

Particulars	As at March 31, 2024	As at March 31, 2023
<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.	2,39,09,683	2,05,17,871
<b>f) Other items of other comprehensive income</b>	(3,26,741)	22,04,980
<b>Total</b>	<b>1,14,49,84,700</b>	<b>1,02,53,79,206</b>

## NON- CURRENT LIABILITIES

### FINANCIAL LIABILITIES

#### Note No. 17 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Long Term and Secured</b>		
Vehicle Loans		
a) Kotak Mahindra Bank Ltd	-	963,388
Bandhan Term Loan	-	13,333,334
IndusInd Term Loan	-	1,664,958
Kotak Term Loan	5,20,47,639	53,087,173
<b>Long Term and Unsecured</b>		
Other Loan	3,57,01,997	-
<b>Total</b>	<b>8,77,49,636</b>	<b>69,048,853</b>

#### Note No. 18 Other non-current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Other liabilities	-	35,21,655
<b>Total</b>	<b>-</b>	<b>35,21,655</b>

#### Note No. 19 Provisions : Other Long Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	6,17,05,960	4,52,88,307
<b>Total</b>	<b>6,17,05,960</b>	<b>4,52,88,307</b>



### Note No. 20 Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	10,22,40,451	3,98,39,756
<b>Additions</b>	-	8,78,32,527
Add: Interest recognised during the year	96,26,271	92,34,848
Less: Payments made	(4,26,79,008)	(3,46,66,680)
<b>Total</b>	<b>6,91,87,714</b>	<b>10,22,40,451</b>

### CURRENT LIABILITIES

### FINANCIAL LIABILITIES

### Note No. 21 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Short Term and Secured)</b>		
Working Capital Loan : Bandhan Bank	36,22,36,611	22,47,17,798
Working Capital Loan : IndusInd Bank	4,48,22,322	4,15,66,012
<b>Total</b>	<b>40,70,58,933</b>	<b>26,62,83,810</b>

Note :

Lender	Nature of facility	Sanction amount	Rate of interest	Security
Bandhan Bank	Cash Credit	38,00,00,000	11 % 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
Indusind Bank	Cash Credit	5,00,00,000	10 % p.a	(a) Pari Pasu charge on current assets, present and future alongwith Bandhan bank .

### Note No. 22 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables for goods and services	2,64,80,609	4,47,96,281
<b>Total</b>	<b>2,64,80,609</b>	<b>4,47,96,281</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	2,53,40,558	11,40,051	-	-	2,64,80,609
<b>As at March 31, 2024</b>	<b>2,53,40,558</b>	<b>11,40,051</b>	<b>-</b>	<b>-</b>	<b>2,64,80,609</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	4,42,18,979	5,77,302	-	-	4,47,96,281
<b>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>

#### Note No. 23 Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of long-term debt	9,77,10,481	6,03,18,135
Interest accrued but not due on borrowings	4,850	13,738
<b>Total</b>	<b>9,77,15,331</b>	<b>6,03,31,873</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, 2024	As at March 31, 2023
Statutory dues payable	7,13,78,025	7,09,40,662
Dividend Payable	4,88,181	4,88,181
Others	12,69,313	11,22,078
<b>Total other current liabilities</b>	<b>7,31,35,519</b>	<b>7,25,50,921</b>

#### Note No. 25 Provisions : Other Short Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for employees benefits	12,53,94,979	5,54,10,790
Audit fee payable	4,00,000	3,50,000
<b>Total</b>	<b>12,57,94,979</b>	<b>5,57,60,790</b>

### Note No. 26 Revenue from operations

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations (net)		
Software Services	1,84,71,53,469	1,70,08,87,885
Maintenance Services	-	76,52,421
	<b>1,84,71,53,469</b>	<b>1,70,85,40,306</b>

### Revenue by Geography

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
APAC (Including India)	1,05,75,60,052	85,20,29,344
Europe	12,55,88,346	11,31,29,069
United States of America	64,50,37,751	72,36,12,106
Others	1,89,67,320	1,97,69,788
	<b>1,84,71,53,469</b>	<b>1,70,85,40,306</b>

### Revenue by Business Segement

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Digital Transformation	1,84,71,53,469	1,70,85,40,306
	<b>1,84,71,53,469</b>	<b>1,70,85,40,306</b>

### Note No. 27 Other income:-

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Foreign exchange gain	49,51,521	2,05,92,878
Interest income on financial assets at amortised cost	8,75,536	5,86,466
Interest received	51,54,840	10,69,107
<b>Total</b>	<b>1,09,81,897</b>	<b>2,22,48,451</b>

### Note No. 28 Cost of Material Consumed:-

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Purchase of Stock in trade	-	31,34,033
Opening Stock	-	1,20,332
(Less): Closing stock	-	-
<b>Total</b>	<b>-</b>	<b>32,54,365</b>

#### Note No. 29 Employee benefits expense:-

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Salaries and wages	1,21,68,85,950	1,15,75,82,756
Gratuity Expenses*	1,88,55,675	1,56,85,586
Contribution to provident and other funds	2,87,06,049	2,73,00,370
Employee stock compensation expenses	41,54,091	61,44,597
Staff welfare expenses	2,00,00,649	1,66,79,391
<b>Total</b>	<b>1,28,86,02,414</b>	<b>1,22,33,92,700</b>

\* Refer note 34

#### Note No. 30 Finance costs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest expense	5,58,58,620	4,02,04,260
Finance Cost on Lease	96,26,271	92,34,848
Other borrowing cost	1,16,98,906	52,08,151
<b>Total</b>	<b>7,71,83,797</b>	<b>5,46,47,259</b>

#### Note No. 31 Depreciation and amortization expense

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
On property, plant and equipment	3,48,61,867	2,92,24,615
On Right-of-use assets	3,58,32,235	3,05,00,902
<b>Total</b>	<b>7,06,94,102</b>	<b>5,97,25,517</b>

#### Note No. 32 Other expenses:-

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Professional Fee	7,28,00,232	9,91,32,761
Rent	43,26,660	41,99,378
Travelling and Conveyance	5,24,59,622	3,78,24,013
Internet and webhosting	52,58,789	42,91,819
Repairs and maintenance	4,19,88,387	1,86,48,952
Sales and Marketing	2,97,08,243	1,81,82,521
Printing & Stationery	8,71,909	8,99,468
Rates and taxes	10,01,501	97,557
CSR Contributions	19,29,837	23,32,140
Subscription fees and licences renewal cost	2,18,92,105	1,05,73,723
Provision of Doubtful Debts	28,49,121	-
Exchange fluctuations Loss	43,94,217	1,40,96,549
Bad Debts	-	41,57,114
Other Miscellaneous expenses	4,50,30,357	4,19,73,849
<b>Auditor Remuneration:-</b>		
a) Statutory Audit fee	3,00,000	2,50,000
b) Taxation	50,000	50,000
<b>Total</b>	<b>28,48,60,980</b>	<b>25,67,09,844</b>

### 33. Earnings per Share

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Numerator for EPS		
Net Profit after tax (A)	9,70,12,451	9,23,49,512
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,74,01,603	9,65,30,799
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options) (C)*	9,74,41,777	9,67,55,483
Basic and diluted Earnings Per Share (A)/(B)	1.00	0.96
Diluted Earnings Per Share (A)/(C)	1.00	0.95

\* The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### 34. 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 7.23% (31-March-2024-7.23% and 31-March-2023 – 7.52%). 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	
	31-Mar-2024	31-Mar-2023
<b>Present Value of Obligation as at beginning</b>	4,74,06,676	3,62,31,918
Current Service Cost	1,18,05,310	67,76,185
Interest Expense or Cost	34,28,812	24,28,159
Change in financial assumptions	19,61,054	19,70,413
<b>Present Value of Obligation as at the end</b>	<b>6,46,01,852</b>	<b>4,74,06,676</b>

### Bifurcation of Net Liability

Particulars	As on	
	31-Mar-2024	31-Mar-2023
Current Liability (Short-term)	28,95,892	21,18,369
Non-Current Liability (Long-term)	6,17,05,960	4,52,88,307
<b>Total Liability</b>	<b>6,46,01,852</b>	<b>4,74,06,676</b>

### b) Leave Encashment: -

Since leave encashment claims are settled on year-to-year basis, no actuarial valuation needs to be obtained.

### 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 2024	USD	GBP	EURO	CAD	SGD
Trade Receivable	45,69,666	4,84,608	3,08,898	5,280	10,000
Cash and Cash equivalent	-	-	-	-	-
Investments-(In WOS)	1,25,22,300	-	-	-	-
<b>Total</b>	<b>1,70,91,966</b>	<b>4,84,608</b>	<b>3,08,898</b>	<b>5,280</b>	<b>10,000</b>
Financial liabilities	-	-	-	-	-
Financial Guarantee	38,62,169	-	-	-	-
Trade payable	-	-	-	-	-

As at 31-March 2023	USD	GBP	EURO	AED	SGD
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>	<b>-</b>
Financial liabilities	-	-	-	-	-
Financial Guarantee	48,27,711	-	-	-	-
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.

### 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	Year Ended Mar 31, 2024	Year Ended Mar 31, 2023
Balance at the beginning	965.70	392.38
Additions	-	878.33
Adjustment on account of lease modification		
Depreciation	(358.32)	(305.01)
<b>Balance at the end</b>	<b>607.38</b>	<b>965.70</b>

#### The movement in lease liabilities during the year ended as follows:

(Amount in Lacs)

Particulars	Year Ended Mar 31, 2024	Year Ended Mar 31, 2023
<b>Balance at the beginning</b>	1022.40	398.40
Additions	-	878.33
Finance cost accrued during the period	96.27	92.34
Adjustment on account of lease modification	-	-
Payment of Lease Liabilities	(426.79)	(346.67)
<b>Balance at the end</b>	<b>691.88</b>	<b>1022.40</b>

### 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 Management 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-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	Name of Entity	31-March-2024	31-March-2023
Sale of Services	<b>Subsidiaries</b>		
	Prosoft Technology Group Inc	14,81,00,334	16,39,83,569
	Kellton Tech Limited	10,33,47,540	7,09,56,552
	Lenmar Consulting Inc	2,55,70,294	2,14,28,313
	Kellton Dbydx Software Private Limited	1,42,49,520	1,83,46,868
Rent paid for office building	<b>Relative of Key Management personnel</b>		
	Sree Vidya Chintam & Niranjan Chintam	2,11,06,536	2,01,01,464

**v) Remuneration of key managerial personnel:**

Particulars of Remuneration	For the year ended	
	31-Mar-2024	31-March-2023
Short Term employee benefits	1,21,63,871	1,20,73,571
Share-based payment transactions	Nil	Nil
Total compensation paid to key management personnel	1,21,63,871	1,20,73,571

\* 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**

		31-March -2024	31-March -2023
Trade Receivable	Prosoft Technology Group Inc	11,09,37,978	4,69,58,182
	Kellton Tech Limited	6,97,08,050	2,04,94,781
	Lenmar Consulting Inc	1,57,31,154	60,64,976
	Kellton Dbydx Software Private Limited	11,99,998	2,16,49,304
	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

**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 11 grants under this scheme as of now.

Details of the grant/issue are given below

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
	No of option	No of option
Options outstanding at the beginning of the year	1182503	1301839
Granted during the year	0	0
Vested during the year	552511	419161
Exercised during the year	870804	34999
Lapsed or Forfeited during the years	33333	84337
Options outstanding at the end of the year	278366	1182503
Options vested and exercisable at the end of the year	278367	629993

The financial entries pertaining to ESOPS are subject to reconciliation after considering the terms and conditions of issue of ESOPS.

### 39. Segment Reporting

On standalone basis segmental revenue is 100% from Digital transformation services.

### 40. Contingent liabilities

Contingent liabilities as at 31-March-2024 are Nil (previous year- Nil).

41. In the opinion of the management the sum of Rs 3,90,39,482 due from Enterprise Consulting Partner, Inc is overdue but good and recoverable, since the said entity is also having due of sum of Rs 4,16,85,000 (USD 500000) in Kellton Tech Inc, subsidiary company. The balance due of Rs.26,45,518 is good and recoverable.
42. There is no Inventory at the end of the year
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.

### 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	
	March 31, 2024	March 31, 2023
a) Gross amount required to be spent by the company	20,94,547	22,12,690
b) Amount of expenditure incurred	19,29,837	23,32,140
c) Short fall at the end of the year	-	-
d) Total of previous year shortfall	-	-
e) Reason for short fall	-	-
f) Nature of CSR Activities	Promoting Education, Ensuring Environmental sustainability, Eradicating poverty	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	-	-

45. Previous year's figures have been regrouped where necessary to conform to current year's classification.
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.

#### 47. Analytical Ratios

Particulars	Numerator	Denominator	Ratio		Variance	Reasons for > 25 % variance
			As at 31-03-2024	As at 31-03-2023		
a) Current Ratio	Current Assets	Current Liabilities	1.6	2.0	-19.8%	
b) Debt-Equity Ratio	Total Debt	Shareholders Equity	1.02	0.69	46.2%	Increased Borrowings
c) Debt-Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	2.77	3.45	-19.6%	
d) Return on Equity Ratio	Net Profit after Taxes	Average Shareholders Equity	20.53%	19.66%	4.4%	
e) Inventory Turnover Ratio	Sales	Inventory	0	0	0.0%	
f) Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.27	3.18	2.8%	
g) Trade Payables Turnover Ratio	Purchases of Services and other Expenses	Average Trade Payables	7.99	6.43	24.2%	
h) Net Capital Turnover Ratio	Net Sales	Average Working Capital	3.72	3.45	7.8%	
i) Net Profit Ratio	Net Profit	Net Sales	5.4%	5.5%	-2.3%	
j) Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed	11.56%	10.91%	6.0%	
k) Return on Investment	Income generated from Investments	Time Weighted Average Investments	-	-	-	

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 : 24022644BKANVF2986

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30.05.2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

Independent Auditors Report on the  
**Consolidated Financial**  
Statement

## 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, 2024, 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, 2024 ;
- 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 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 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 unauthorised 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 Ind AS 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.

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**

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, 2024 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, 2024 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 and Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 - Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, associates and joint ventures we state that :

**1) In case of Holding Company :**

Based on our examination, which included test checks, we state that the company is presently using Tally software which has a feature of recording audit trail (Edit Log) facility for the financial year ended 31-03-2024. The same has been enabled and operated throughout the year for all the relevant transactions in the software. From our examination, we did not come across any instance of the audit trail facility being tampered with.

**2) In case of Indian Subsidiary Company :**

The accounts of this Indian Subsidiary company – Kellton Dbydx Software Private Limited – were audited by other auditors and they have stated in their report that this company had used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the books of account and they did not come across any instance of the audit trail feature being tampered with.

For **ANANT RAO & MALLIK**  
Chartered Accountants  
FRN: 006266S

**V. ANANT RAO**  
Partner  
M.No.: 022644  
UDIN : 24022644BKANVG2696

**Date:** 30.05.2024  
**Place:** Hyderabad

## 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, 2024, 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, 2024, 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

**V. ANANT RAO**  
Partner  
M.No.: 022644  
UDIN : 24022644BKANVG2696

**Date:** 30.05.2024  
**Place:** Hyderabad

## Consolidated Balance Sheet As at 31<sup>st</sup> March, 2024

(Amount in Rs)

	NOTE	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6.1	12,77,47,931	9,65,16,925
Right to use Assets	6.2	8,16,35,863	11,33,13,805
Capital work in progress	7.1	18,15,01,808	-
Goodwill	7.2	11,50,31,865	11,50,31,865
Other intangible assets	7.3	36,94,06,527	31,33,44,421
<b>Financial assets</b>			
Other financial assets	8	1,50,96,338	86,98,299
Other non-current assets	9	9,38,90,417	10,27,99,466
		<b>98,43,10,749</b>	<b>74,97,04,781</b>
<b>Current assets</b>			
Inventories	29	-	-
<b>Financial assets</b>			
Trade receivables	10	2,68,85,87,654	2,56,62,60,783
Cash and cash equivalents	11.1	21,08,20,498	23,19,93,965
Bank balances other than cash and cash equivalents	11.2	6,61,50,497	6,62,81,137
Other financial assets	12	2,09,95,15,003	1,78,50,92,317
Current Tax Assets		5,01,52,759	4,85,81,708
Other current assets	13	50,43,56,331	51,70,28,523
		<b>5,61,95,82,742</b>	<b>5,21,52,38,433</b>
<b>TOTAL ASSETS</b>		<b>6,60,38,93,491</b>	<b>5,96,49,43,214</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	48,70,08,015	48,26,53,995
Other equity	15	3,94,67,88,394	3,24,75,68,317
		<b>4,43,37,96,409</b>	<b>3,73,02,22,312</b>

## Consolidated Balance Sheet (Contd.)

	NOTE	As at March 31, 2024	As at March 31, 2023
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	16	33,02,80,444	38,40,58,618
Other financial liabilities	17	26,45,518	18,80,213
Other non-current liabilities	18	-	35,21,655
Provisions	19	6,17,05,960	4,52,88,307
Deferred tax liabilities (Net)	20	1,18,70,077	1,81,32,385
Lease Liabilities	21	9,06,16,463	12,43,05,104
		<b>49,71,18,462</b>	<b>57,71,86,282</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	96,03,26,223	96,90,33,565
Trade payables	23	18,17,78,078	20,13,96,904
Other financial liabilities	24	17,86,73,542	14,25,51,873
Other current liabilities	25	11,67,00,812	11,77,33,373
Provisions	26	23,54,99,965	22,68,18,905
		<b>1,67,29,78,620</b>	<b>1,65,75,34,620</b>
		<b>2,17,00,97,082</b>	<b>2,23,47,20,902</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,60,38,93,491</b>	<b>5,96,49,43,214</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 : 24022644BKANVG2696

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30-05-2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Consolidated Statement of Profit and Loss As at 31<sup>st</sup> March, 2024

(Amount in Rs)

	NOTE	For the year ended	
		March 31, 2024	March 31, 2023
Revenue from operations	27	9,82,89,43,631	9,17,32,58,067
Other income	28	1,83,31,263	2,22,48,451
<b>Total income</b>		<b>9,84,72,74,894</b>	<b>9,19,55,06,518</b>
<b>Expenses</b>			
Cost of materials consumed	29	-	32,54,365
Employee benefits expense	30	4,86,77,58,535	4,63,56,85,819
Finance costs	31	18,36,17,682	11,43,95,277
Depreciation and amortization expense	32	16,00,47,131	14,46,01,407
Other expenses	33	3,91,67,86,333	3,59,95,97,782
<b>Total expenses</b>		<b>9,12,82,09,681</b>	<b>8,49,75,34,650</b>
<b>Profit / (Loss) before Exceptional items and tax</b>		<b>71,90,65,213</b>	<b>69,79,71,868</b>
Exceptional Items		36,381	(1,84,07,11,681)
<b>Profit / (Loss) before tax</b>		<b>71,91,01,594</b>	<b>(1,14,27,39,813)</b>
Tax expense:			
Current tax		8,58,53,675	12,85,70,670
Tax/(credit) in respect to earlier years		(4,08,973)	(7,57,104)
Deferred tax	20	(64,52,710)	(24,64,978)
<b>Profit (Loss) for the period from continuing operations</b>		<b>64,01,09,602</b>	<b>(1,26,80,88,401)</b>
<b>Profit/(loss) for the period</b>		<b>64,01,09,602</b>	<b>(1,26,80,88,401)</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)		(19,61,054)	(19,70,414)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5,70,667)	(5,73,390)
B) (i) Items that will be reclassified to profit or loss		32,57,245	(3,82,22,118)
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total other comprehensive income</b>		<b>7,25,524</b>	<b>(4,07,65,922)</b>
<b>Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>64,08,35,126</b>	<b>(1,30,88,54,323)</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic	34	6.58	(13.56)
Diluted		6.58	(13.53)



## Consolidated Statement of Profit and Loss (Contd.)

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 : 24022644BKANVG2696

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30-05-2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Consolidated Statement of Cash Flow As at 31<sup>st</sup> March, 2024

(Amount in Rs)

	For the year ended	
	March 31, 2024	March 31, 2023
<b>Cash flow from Operating Activities</b>		
Profit for the Period	71,91,01,594	(1,14,27,39,813)
Adjustments for :		
Depreciation and amortization expense	16,00,47,131	14,46,01,407
Expense on employee stock based compensation	33,91,812	35,59,619
Allowance for doubtful debt	28,49,121	-
Bad Debts	1,80,90,898	75,91,892
Finance costs	18,36,17,682	11,43,95,277
Foreign currency translation	32,57,245	(3,82,22,118)
Profit on disposal of property, plant and equipment	36,381	7,79,212
Good will Write-off	-	1,84,14,90,893
<b>Changes in operating assets and liabilities</b>		
Trade receivables	(14,32,66,890)	(34,78,39,888)
Other assets	(29,92,39,484)	(15,76,80,755)
Trade payables	(1,96,18,826)	5,00,98,673
Other liabilities	(45,54,216)	(49,02,137)
Provisions	2,50,98,713	(1,74,58,888)
<b>Net cash provided by operating activities before taxes</b>	<b>64,88,11,161</b>	<b>45,36,73,374</b>
Income taxes paid	(8,68,25,351)	(21,08,49,808)
<b>Net cash provided by operating activities</b>	<b>56,19,85,810</b>	<b>24,28,23,566</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(21,56,98,682)	(20,79,67,046)
Capital work in progress	(18,15,01,808)	-
Goodwill and capital reserve	9,31,226	1,33,97,260
Earnout payments-(net)	(1,65,921)	(52,67,42,162)
Proceeds from sale of investment in mutual funds		
<b>Net cash (used in)or provided by investing activities</b>	<b>(39,64,35,185)</b>	<b>(72,13,11,948)</b>

## Consolidated Statement of Cash Flow (Contd.)

	For the year ended	
	March 31, 2024	March 31, 2023
<b>Cash flow from financing activities</b>		
Proceeds from Issue of share capital under ESOP scheme	2,35,55,251	9,46,725
Finance costs paid	(18,36,17,682)	(11,43,95,277)
Change in loans and borrowings	(2,63,63,847)	34,82,40,521
Changes in Reserves	3,32,60,187	24,52,53,908
Repayment of Lease Liabilities	(3,36,88,641)	4,85,63,718
<b>Net cash used in financing activities</b>	<b>(18,68,54,732)</b>	<b>52,86,09,595</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,13,04,107)</b>	<b>5,01,21,213</b>
Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period	29,82,75,102	24,81,53,889
<b>Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period</b>	<b>27,69,70,995</b>	<b>29,82,75,102</b>

The Accompanying notes form an intergral 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 : 24022644BKANVG2696

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30-05-2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Statement of changes in equity for the year ended March 31, 2024

Particulars	No of Shares		Reserves and Surplus (refer note 15)						Total
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	Other comprehensive income			
(a) Equity share capital (Balance at the April 1, 2023)									
Add: Shares capital issued under ESOP scheme									
Balance at the March 31, 2024									
<b>(b) Other equity</b>									
Balance as at April 1, 2022	19,82,65,210	1,17,97,477	13,34,67,752	1,69,58,253	3,93,54,33,238	83,71,647		4,30,42,93,577	
Total Comprehensive Income for the period comprising of:									
(i) Profit for the period					(1,26,80,88,401)			(1,26,80,88,401)	
(ii) Other comprehensive income (net of taxes)	1,33,97,260				24,27,72,101	(4,91,37,569)		20,70,31,792	
Issue of equity shares			7,71,731					7,71,731	
Compensation cost related to employee share based payment				35,59,618				35,59,618	
<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>	
<b>Balance as at April 1, 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>	
Total Comprehensive Income for the period comprising of:									
(i) Profit for the period					64,01,09,602			64,01,09,602	
(ii) Other comprehensive income (net of taxes)	9,31,226				(59,05,240)	4,14,91,446		3,65,17,432	
Issue of equity shares			1,92,01,231					1,92,01,231	
Compensation cost related to employee share based payment				33,91,812				33,91,812	
Business combination-Disinvestment					-			-	
<b>Balance as at March 31, 2024</b>	<b>21,25,93,696</b>	<b>1,17,97,477</b>	<b>15,34,40,714</b>	<b>2,39,09,683</b>	<b>3,54,43,21,300</b>	<b>7,25,524</b>		<b>3,94,67,88,394</b>	

## Statement of changes in equity (Contd.)

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 : 24022644BKANVG2696

Sd/-  
**Niranjan Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30-05-2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949

## Notes forming Part of Consolidated Financial Statements

### Material Accounting Policies for Consolidated Statements 31<sup>st</sup> March, 2024

#### 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, 2024 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**

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Revenue from fixed price maintenance type contracts is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from other fixed-price contracts is recognized rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognize such revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

When performance obligation is satisfied over the time, the Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

**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 material accounting policies**

This note provides a list of the material 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.

**Note No. 6.1 Property, plant and equipment**

Particulars	Leasehold improve-ments	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
<b>Gross carrying value</b>								
At April 1, 2022	62,09,611	26,93,703	8,32,20,877	9,63,70,548	5,84,07,973	6,31,98,380	3,65,40,232	34,66,41,324
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
At March 31, 2023	67,34,655	28,70,636	9,10,18,947	11,60,14,258	5,84,07,973	6,40,32,312	3,71,01,246	37,61,80,027
<b>Accumulated depreciation</b>								
At April 1, 2022	62,09,611	18,07,556	8,22,13,007	6,47,63,609	2,35,86,861	3,72,86,824	2,60,56,311	24,19,23,780
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
At March 31, 2023	67,34,655	20,94,826	8,91,62,286	7,95,61,685	2,91,19,717	4,30,81,537	2,99,08,396	27,96,63,102
<b>Gross carrying value</b>								
At April 1, 2023	67,34,655	28,70,636	9,10,18,947	11,60,14,258	5,84,07,973	6,40,32,312	3,71,01,246	37,61,80,027
Additions	-	1,02,54,808	13,81,762	4,63,68,519	18,48,083	61,51,511	16,69,012	6,76,73,695
Disposals / adjustments				(25,01,603)				(25,01,603)
Translation exchange difference	94,197	-	11,45,126	21,972	-	1,49,613	1,00,650	15,11,558
At March 31, 2024	68,28,852	1,31,25,444	9,35,45,835	15,99,03,146	6,02,56,056	7,03,33,436	3,88,70,908	44,28,63,677
<b>Accumulated depreciation</b>								
At April 1, 2023	67,34,655	20,94,826	8,91,62,286	7,95,61,685	2,91,19,717	4,30,81,537	2,99,08,396	27,96,63,102
Depreciation expense	-	5,25,808	9,09,219	2,20,74,314	55,29,598	50,64,288	23,76,853	3,64,80,080
Disposals / adjustments				(25,01,603)				(25,01,603)
Translation exchange difference	94,197	-	11,19,687	19,996	-	1,49,613	90,674	14,74,167
At March 31, 2024	68,28,852	26,20,633	9,11,91,192	9,91,54,392	3,46,49,314	4,82,95,438	3,23,75,924	31,51,15,746
<b>Net block March 31, 2024</b>	-	1,05,04,811	23,54,643	6,07,48,754	2,56,06,741	2,20,37,998	64,94,984	12,77,47,931
<b>Net block March 31, 2023</b>	-	7,75,811	18,56,661	3,64,52,572	2,92,88,256	2,09,50,775	71,92,849	9,65,16,925

### 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	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 Amortization</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>
As at April 1, 2023	25,82,98,925
Additions	2,28,78,990
Adjustment on account of lease modification	-
Translation exchange difference	5,64,662
<b>As at March 31, 2024</b>	<b>28,17,42,578</b>
<b>Accumulated Amortization</b>	
As at April 1, 2023	14,49,85,120
Charge for the year	5,46,59,233
Adjustment on account of lease modification	-
Translation exchange difference	4,62,362
<b>As at March 31, 2024</b>	<b>20,01,06,715</b>
<b>Net block</b>	
<b>As at March 31, 2024</b>	<b>8,16,35,863</b>
<b>As at March 31, 2023</b>	<b>11,33,13,805</b>

**Note No. 7.1 Capital work in progress**

	<b>Capital work in progress</b>
<b>Gross carrying value</b>	
<b>At April 1, 2022</b>	-
Additions	-
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2023</b>	-
<b>Accumulated Amortization</b>	
<b>At April 1, 2022</b>	-
Amortisation expense	-
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2023</b>	-
<b>Gross carrying value</b>	
<b>At April 1, 2023</b>	-
Additions	18,15,01,808
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2024</b>	<b>18,15,01,808</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2023</b>	-
Amortisation expense	-
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2024</b>	-
<b>Net block March 31, 2024</b>	<b>18,15,01,808</b>
<b>Net block March 31, 2023</b>	-

**Note No. 7.2 Good Will**

	<b>Good Will</b>
<b>Gross carrying value</b>	
<b>At April 1, 2022</b>	<b>1,52,93,25,841</b>
Additions	
Disposals / adjustments	(1,62,44,07,657)
Translation exchange difference	21,01,13,682
<b>At March 31, 2023</b>	<b>11,50,31,865</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2022</b>	-
Amortisation expense	-
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2023</b>	-
<b>Gross carrying value</b>	
<b>At April 1, 2023</b>	<b>11,50,31,865</b>
Additions	-
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2024</b>	<b>11,50,31,865</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2023</b>	-
Amortisation expense	-
Disposals / adjustments	-
Translation exchange difference	-
<b>At March 31, 2024</b>	-
<b>Net block March 31, 2024</b>	<b>11,50,31,865</b>
<b>Net block March 31, 2023</b>	<b>11,50,31,865</b>



**Note No. 7.3 Other Intangible assets**

	<b>Other Intangible Assets</b>
<b>Gross carrying value</b>	
<b>At April 1, 2022</b>	<b>60,63,47,307</b>
Additions	6,46,57,808
Disposals / adjustments	-
Translation exchange difference	4,32,79,294
<b>At March 31, 2023</b>	<b>71,42,84,410</b>
<b>Accumulated Amortization</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>Gross carrying value</b>	
<b>At April 1, 2023</b>	<b>71,42,84,410</b>
Additions	12,10,96,592
Disposals / adjustments	
Translation exchange difference	93,21,457
<b>At March 31, 2024</b>	<b>84,47,02,458</b>
<b>Accumulated Amortization</b>	
<b>At April 1, 2023</b>	<b>40,09,39,988</b>
Amortisation expense	6,89,07,818
Disposals / adjustments	
Translation exchange difference	54,48,126
<b>At March 31, 2024</b>	<b>47,52,95,932</b>
<b>Net block March 31, 2024</b>	<b>36,94,06,527</b>
<b>Net block March 31, 2023</b>	<b>31,33,44,421</b>

### Note No. 8 Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits		
Unsecured considered good	1,50,96,338	86,98,299
<b>Total</b>	<b>1,50,96,338</b>	<b>86,98,299</b>

### Note No. 9 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposit	95,69,999	1,96,42,158
Other non current assets*	8,43,20,418	8,31,57,308
<b>Total</b>	<b>9,38,90,417</b>	<b>10,27,99,466</b>

\*Sale Consideration receivable against disinvestment of subsidiary

## FINANCIAL ASSETS

### Note No. 10 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured )		
Considered good	2,69,14,36,775	2,56,62,60,783
Less: Allowance for doubtful debts	(28,49,121)	-
<b>Total</b>	<b>2,68,85,87,654</b>	<b>2,56,62,60,783</b>

### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	2,38,41,21,278	30,73,15,497	-	-	-	2,69,14,36,775
<b>As at March 31, 2024</b>	<b>2,38,41,21,278</b>	<b>30,73,15,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,69,14,36,775</b>

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	2,01,15,63,515	55,46,97,268	-	-	-	2,56,62,60,783
<b>As at March 31, 2023</b>	<b>2,01,15,63,515</b>	<b>55,46,97,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,56,62,60,783</b>

### Note No. 11.1 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	1,21,129	3,06,517
Balances with banks in current accounts	21,06,99,369	23,16,87,447
<b>Cash and cash equivalents as per balance sheet</b>	<b>21,08,20,498</b>	<b>23,19,93,965</b>

**Note No. 11.2 Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposit with banks	6,61,50,497	6,62,81,137
<b>Total</b>	<b>6,61,50,497</b>	<b>6,62,81,137</b>

**Note No. 12 Other current financial assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to employees	68,57,150	48,59,277
Accrued Revenue	1,65,50,24,189	1,46,26,56,159
Other Advances	43,76,33,664	31,75,76,881
<b>Total</b>	<b>2,09,95,15,003</b>	<b>1,78,50,92,317</b>

**Note No. 13 Other current assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	6,83,84,199	6,14,93,026
Deposits	61,28,145	56,82,191
Others	42,98,43,987	44,98,53,306
<b>Total</b>	<b>50,43,56,331</b>	<b>51,70,28,523</b>

**Note No. 14 Equity share capital**

a)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
12,00,00,000 (March 31, 2023: 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>		
9,74,01,603 (March 31, 2023: 9,65,30,799 ) equity shares of Rs 5/- each fully paid	48,70,08,015	48,26,53,995
	48,70,08,015	48,26,53,995

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, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,65,30,799	48,26,53,995	9,64,95,800	48,24,79,000
Add: Shares issued on exercise of employee stock options	8,70,804	43,54,020	34,999	1,74,995
Add: Bonus shares issued *			-	-
Number of shares outstanding at the end of the period	9,74,01,603	48,70,08,015	9,65,30,799	48,26,53,995

**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, 2024		As at March 31, 2023	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1. Matnic Finvest LLP	4,07,54,356	41.84%	4,07,54,356	42.22%
2. Kellton Wealth Management LLP	71,83,384	7.38%	71,83,384	7.44%

\* The shareholding 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, 2023:**

- 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, 2024**

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	1.17%	0.00%
Sreevidya Chintam	9,02,776	-	9,02,776	0.93%	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	7.38%	0.00%
Matnic Finvest LLP	4,07,54,356	-	4,07,54,356	41.84%	0.00%
<b>Total</b>	<b>5,03,32,124</b>	<b>-</b>	<b>5,03,32,124</b>	<b>51.67%</b>	<b>0.00%</b>

**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	42.22%	0.00%
<b>Total</b>	<b>5,03,32,124</b>	<b>-</b>	<b>5,03,32,124</b>	<b>52.14%</b>	<b>0.00%</b>

### Note No. 15 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
<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.	21,25,93,696	21,16,62,470
<b>b) Security premium</b>		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	15,34,40,714	13,42,39,483
<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.	3,54,43,21,300	2,91,01,16,938
<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.	2,39,09,683	2,05,17,871
<b>f) Other items of other comprehensive income</b>	7,25,524	(4,07,65,922)
<b>Total</b>	<b>3,94,67,88,394</b>	<b>3,24,75,68,317</b>

## NON- CURRENT LIABILITIES

### FINANCIAL LIABILITIES

### Note No. 16 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Long Term and Secured)</b>		
Vehicle Loans		
a) Bank of America	-	2,95,362
b) Kotak Mahindra Bank Ltd	10,39,193	9,63,388
Loan-IndusInd Bank SBLC	24,14,91,615	31,47,14,403
Bandhan term Loan	-	1,33,33,334
IndusInd Term Loan	-	16,64,958
Kotak Term Loan	5,20,47,639	5,30,87,173
<b>(Long Term and Unsecured)</b>		
Other Loan	3,57,01,997	-
<b>Total</b>	<b>33,02,80,444</b>	<b>38,40,58,618</b>

#### Note No. 17 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Acquisition contingent payout	26,45,518	18,80,213
<b>Total</b>	<b>26,45,518</b>	<b>18,80,213</b>

#### Note No. 18 Other non-current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Other liabilities	-	35,21,655
<b>Total</b>	<b>-</b>	<b>35,21,655</b>

#### Note No. 19 Provisions : Other Long Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	6,17,05,960	4,52,88,307
<b>Total</b>	<b>6,17,05,960</b>	<b>4,52,88,307</b>

#### Note No. 20 Deferred tax liability (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets (overseas)	3,12,38,470	3,17,26,339
<b>Total Deferred tax liabilities</b>	<b>3,12,38,470</b>	<b>3,17,26,339</b>
<b>Deferred tax assets</b>		
Provision for doubtful debts	(7,17,067)	-
Provision for gratuity and leave encashment	(1,65,24,587)	(1,21,66,759)
Right of use asset and lease liability	(21,26,739)	(14,27,195)
<b>Total Deferred tax assets</b>	<b>(1,93,68,393)</b>	<b>(1,35,93,954)</b>
<b>Deferred tax liability after set off</b>	<b>1,18,70,077</b>	<b>1,81,32,385</b>

#### Note No. 21 Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>12,43,05,104</b>	<b>7,57,41,386</b>
<b>Additions</b>	<b>2,28,78,990</b>	<b>13,81,62,168</b>
Add: Interest recognised during the year	1,09,62,375	1,18,09,059
Less: Payments made	(6,76,72,883)	(6,48,76,775)
Adjustment on account of lease modification	-	(3,89,37,238)
Translation exchange difference	1,42,877	24,06,505
<b>Total</b>	<b>9,06,16,463</b>	<b>12,43,05,104</b>

**CURRENT LIABILITIES**  
**FINANCIAL LIABILITIES**

**Note No. 22 Borrowings**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Short Term and Secured)</b>		
Working Capital Loan : Bandhan Bank	36,22,36,611	22,47,17,798
Working Capital Loan : IndusInd Bank	4,48,22,322	4,15,66,012
Working capital Line of Credit: Alostara	55,32,67,290	70,27,49,755
<b>Total</b>	<b>96,03,26,223</b>	<b>96,90,33,565</b>

Short term borrowings represent the amounts received from Banks as summarised below

Lender	Nature of facility	Rate of interest
Bandhan Bank	Cash Credit	11 % p.a
IndusInd Bank	Cash Credit	10 % p.a
Alostara	Working Capital	8.6 % p.a

**Note No. 23 Trade Payables**

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables for goods and services	18,17,78,078	20,13,96,904
<b>Total</b>	<b>18,17,78,078</b>	<b>20,13,96,904</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	17,93,14,924	24,63,154	-	-	18,17,78,078
As at March 31,2024	17,93,14,924	24,63,154	-	-	18,17,78,078
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
As at March 31,2023	19,74,54,112	39,42,792	-	-	20,13,96,904

**Note No. 24 Other current financial liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of long-term debt	17,86,68,692	14,25,38,135
Interest accrued but not due on borrowings	4,850	13,738
<b>Total</b>	<b>17,86,73,542</b>	<b>14,25,51,873</b>

#### Note No. 25 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	6,97,21,685	7,64,23,270
Dividend Payable	4,88,181	4,88,181
Advances received from customers	45,26,991	44,64,546
Others	4,19,63,955	3,63,57,376
<b>Total other current liabilities</b>	<b>11,67,00,812</b>	<b>11,77,33,373</b>

#### Note No. 26 Provisions : Other Short Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for employees benefits	18,05,65,312	12,95,96,099
Accrued Expenses	5,49,34,653	9,72,22,806
<b>Total</b>	<b>23,54,99,965</b>	<b>22,68,18,905</b>

#### Note No. 27 Revenue from operations

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations (net)		
Software Services	9,80,75,19,136	9,13,85,36,248
Maintenance Services	2,14,24,495	3,47,21,819
<b>Total</b>	<b>9,82,89,43,631</b>	<b>9,17,32,58,067</b>

#### Revenue by Geography

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
United States of America	8,30,56,23,309	7,58,09,80,601
APAC (Including India)	1,12,96,60,158	1,01,52,98,024
Europe	37,46,92,843	55,72,09,655
Others	1,89,67,320	1,97,69,788
	<b>9,82,89,43,631</b>	<b>9,17,32,58,067</b>

#### Revenue by Business Segement

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Digital Transformation	8,06,30,59,042	7,51,79,52,021
Enterprise Solutions	1,38,40,76,953	1,29,23,37,600
Consulting	38,18,07,636	36,29,68,446
	<b>9,82,89,43,631</b>	<b>9,17,32,58,067</b>



**Note No. 28 Other income:-**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Foreign exchange gain	50,88,761	2,05,92,878
Interest income on financial assets at amortised cost	8,75,536	5,86,466
Interest received	51,54,840	10,69,107
Miscellaneous Income	72,12,126	-
<b>Total</b>	<b>1,83,31,263</b>	<b>2,22,48,451</b>

**Note No. 29 Cost of Material Consumed:-**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Purchase of Stock in trade	-	31,34,033
Opning Stock	-	1,20,332
(Less): Closing stock	-	-
<b>Total</b>	<b>-</b>	<b>32,54,365</b>

**Note No. 30 Employee benefits expense:-**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Salaries and wages	4,66,41,62,959	4,43,03,47,267
Gratuity Expense	1,89,75,453	1,60,40,364
Contribution to provident and other funds	2,87,06,049	2,73,05,253
Employee stock compensation expenses	33,91,812	35,59,619
Staff welfare expenses	15,25,22,262	15,84,33,316
<b>Total</b>	<b>4,86,77,58,535</b>	<b>4,63,56,85,819</b>

**Note No. 31 Finance costs**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest expense	14,65,83,178	8,18,89,671
Finance Cost on Lease	1,09,62,375	1,18,09,059
Other borrowing cost	2,60,72,129	2,06,96,547
<b>Total</b>	<b>18,36,17,682</b>	<b>11,43,95,277</b>

**Note No. 32 Depreciation and amortization expense**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
On property, plant and equipment	3,64,80,080	3,18,74,095
On other intangible assets	6,89,07,818	5,91,25,402
On Right-of-use assets	5,46,59,233	5,36,01,910
<b>Total</b>	<b>16,00,47,131</b>	<b>14,46,01,407</b>

**Note No. 33 Other expenses:-**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Professional Fee	19,32,55,071	19,84,83,959
Subcontracting Expenses	3,21,02,66,069	2,96,69,00,579
Rent	1,78,84,077	1,20,80,672
Travelling and Conveyance	10,85,25,518	10,73,39,457
Internet and webhosting	5,03,03,267	4,05,16,847
Repairs and maintenance	9,41,86,649	7,23,35,646
Sales and Marketing	4,11,39,532	2,98,62,517
Printing & Stationery	8,74,856	9,58,394
Rates and taxes	10,18,501	1,27,468
CSR Contributions	19,29,837	23,32,140
Subscription fees and licences renewal cost	3,49,01,632	2,46,34,782
Exchange fluctuations Loss	43,94,217	1,45,63,995
Provision for doubtful debts	28,49,121	-
Bad Debts	1,80,90,898	75,91,892
Other Miscellaneous expenses	12,92,73,809	10,84,54,372
Audior Remuneration for subsidiary companies	75,43,279	1,31,15,062
Audior Remuneration		
a) Statutory Audit fee	3,00,000	2,50,000
b) Taxation	50,000	50,000
<b>Total</b>	<b>3,91,67,86,333</b>	<b>3,59,95,97,782</b>

### 34. Earnings per Share

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Numerator for EPS		
Net Profit after tax (A)	64,08,35,126	(1,30,88,54,323)
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,74,01,603	9,65,30,799
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options )(C)*	9,74,41,777	9,67,55,483
Basic and diluted Earnings Per Share (A)/(B)	6.58	(13.56)
Diluted Earnings Per Share (A)/(C)	6.58	(13.53)

### 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 7.23% (31-March-2024-7.23% and 31-March-2023 – 7.52%). 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	
	31-Mar-2024	31-Mar-2023
<b>Present Value of Obligation as at beginning</b>	4,74,06,676	3,62,31,918
Current Service Cost	1,18,05,310	67,76,185
Interest Expense or Cost	34,28,812	24,28,159
Change in financial assumptions	19,61,054	19,70,413
<b>Present Value of Obligation as at the end</b>	<b>6,46,01,852</b>	<b>4,74,06,676</b>

### Bifurcation of Net Liability

Particulars	As on	
	31-Mar-2024	31-Mar-2023
Current Liability (Short-term)	28,95,892	21,18,369
Non-Current Liability(Long-term)	6,17,05,960	4,52,88,307
<b>Total Liability</b>	<b>6,46,01,852</b>	<b>4,74,06,676</b>

### b) Leave Encashment:-

Since leave encashment claims are settled on year-to-year basis, no actuarial valuation needs to be obtained.

### 37. 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	Year Ended Mar 31, 2024	Year Ended Mar 31, 2023
<b>Balance at the beginning</b>	<b>1133.13</b>	<b>667.19</b>
Additions	228.79	1282.03
Adjustment on account of lease modification	-	(309.14)
Depreciation	(546.60)	(536.02)
Translation exchange difference	1.03	29.07
<b>Balance at the end</b>	<b>816.35</b>	<b>1133.13</b>

**The movement in lease liabilities during the year ended as follows:**

**(Amount in Lacs)**

Particulars	Year Ended Mar 31, 2024	Year Ended Mar 31, 2023
<b>Balance at the beginning</b>	<b>1243.05</b>	<b>757.41</b>
Additions	228.79	1381.62
Finance cost accrued during the period	109.62	118.09
Adjustment on account of lease modification	-	(389.37)
Payment of Lease Liabilities	(676.73)	(648.76)
Translation exchange difference	1.43	24.06
<b>Balance at the end</b>	<b>906.16</b>	<b>1243.05</b>

**37. Related Party Disclosures**

**i) Related Party with whom transactions have taken place**

- i) Mr. Niranjana Chintam - Chairman and CFO
- ii) Mr. Krishna Chintam - Managing Director and CEO
- iii) Mr. Karanjit Singh- Executive Director

**ii) Key Management personnel**

- a) Mr Niranjana Chintam - Chairman and CFO
- b) Mr Krishna Chintam - Managing Director and CEO
- c) Mr Karanjit Singh- Executive Director
- d) Ms. Rahul Jain-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	31-March-2024	31-March-2023
Rent paid for office building	Relative of Key Management personnel	2,11,06,536	2,01,01,464

**v) Remuneration of key managerial personnel:**

Particulars of Remuneration	For the year ended	
	31-Mar-2024	31-March-2023
Short Term employee benefits	1,21,63,871	1,20,73,571
Share-based payment transactions	Nil	Nil
Total compensation paid to key management personnel	1,21,63,871	1,20,73,571

\* 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**

		31-March -2024	31-March -2023
Security Deposit	Sree Vidya Chintam	25,85,000	25,85,000

**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 11 grants under this scheme as of now.

Details of the grant/issue are given below

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
	No of option	No of option
Options outstanding at the beginning of the year	1182503	1301839
Granted during the year	0	-
Vested during the year	552511	419161
Exercised during the year	870804	34999
Lapsed or Forfeited during the years	33333	84337
Options outstanding at the end of the year	278366	1182503
Options vested and exercisable at the end of the year	278367	629993

The financial entries pertaining to ESOPS are subject to reconciliation after considering the terms and conditions of issue of ESOPS.

### 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.

	2024	2023
<b>Revenue</b>		
Digital Transformation	8,06,30,59,042	7,51,79,52,021
Enterprise Solutions	1,38,40,76,953	1,29,23,37,600
Consulting	38,18,07,636	36,29,68,446
<b>Total</b>	<b>9,82,89,43,631</b>	<b>9,17,32,58,067</b>
<b>Identifiable expense</b>		
Digital Transformation	5,47,92,79,904	5,30,14,80,352
Enterprise Solutions	1,07,26,72,055	1,03,33,96,730
Consulting	30,01,14,585	28,73,71,994
<b>Total</b>	<b>6,85,20,66,544</b>	<b>6,62,22,49,076</b>
<b>Segmental result</b>		
Digital Transformation	2,58,37,79,138	2,21,64,71,669
Enterprise Solutions	31,14,04,898	25,89,40,870
Consulting	8,16,93,051	7,55,96,452
Total	2,97,68,77,087	2,55,10,08,991
Unallocable Expenses	2,09,25,25,455	1,76,08,90,297
<b>Operating income</b>	88,43,51,632	79,01,18,694
Finance Charges	18,36,17,682	11,43,95,277
Other Income	1,83,67,644	2,30,27,662
Exceptional Items	-	1,84,14,90,892
<b>Profit before taxes</b>	71,91,01,594	(1,14,27,39,813)
Taxes	7,89,91,992	12,53,48,588.00
<b>Profit after taxes</b>	64,01,09,602	(1,26,80,88,401)

### 40. Acquisitions and Disinvestment

During the year there is no acquisitions and disinvestments.

41. Company has not made any default in loan repayment and no over due's are outstanding

### 42. Contingent liabilities

Contingent liabilities as at 31-March-2024 is Nil (previous year-Nil).

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 31<sup>st</sup> Dec.2023.Financial statement have prepared considering audited figures up to 31<sup>st</sup> Dec.2023 and unaudited figures from Jan.2024 to Mar.2024. And Kellton Dbydx Private Limited are 100% subsidiaries of Kellton Tech Solutions Ltd (India) have been audited by other auditors as on 31<sup>st</sup> Mar.2024.

In addition, Kellton Tech Limited (Ireland) a 100% subsidiary of Kellton Tech Solutions Ltd (India) audit has not been completed. These entities statements/financial information reflect a total asset of Rs. 2,69,25,28,379 total revenue of Rs 92,45,96,659 and net income of Rs 2,95,62,947 for the 12-month period ending Mar 31, 2024.

#### 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, 2024	March 31, 2023
a) Gross amount required to be spent by the company	20,94,547	22,12,690
b) Amount of expenditure incurred	19,29,837	23,32,140
c) Short fall at the end of the year	-	-
d) Total of previous year shortfall	-	-
e) Reason for short fall		
f) Nature of CSR Activities	Promoting Education, Ensuring Environmental sustainability, Eradicating poverty	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	-	-

46. Inventory consists of only bought out items pertaining computer peripherals required for execution of projects.

47. Previous year's figures have been regrouped where necessary to conform to current year's classification.

#### 48. Analytical Ratios

Particulars	Numerator	Denominator	Ratio		Variance	Reasons for > 25 % variance
			As at 31-03-2024	As at 31-03-2023		
a) Current Ratio	Current Assets	Current Liabilities	3.4	3.1	6.8%	
b) Debt-Equity Ratio	Total Debt	Shareholders' Equity	2.65	2.80	-5.5%	
c) Debt-Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	4.92	7.10	-30.8%	Increased Finance cost on account increased borrowings
d) Return on Equity Ratio	Net Profit after Taxes	Average Shareholders' Equity	15.68%	-29.78%	-152.7%	Last year Goodwill was written off leading exceptional loss
e) Inventory Turnover Ratio	Sales	Inventory	0	0	0.0%	

Particulars	Numerator	Denominator	Ratio		Variance	Reasons for > 25 % variance
			As at 31-03-2024	As at 31-03-2023		
f) Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.74	3.83	-2.3%	
g) Trade Payables Turnover Ratio	Purchases of Services and other Expenses	Average Trade Payables	20.44	20.41	0.2%	
h) Net Capital Turnover Ratio	Net Sales	Average Working Capital	2.62	2.77	-5.5%	
i) Net Profit Ratio	Net Profit	Net Sales	6.5%	-13.8%	-147.1%	Last year Goodwill was written off leading exceptional loss
j) Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed	17.83%	18.68%	-4.6%	
k) Return on Investment	Income generated from Investments	Time Weighted Average Investments	-	-	-	

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 : 24022644BKANVG2696

Sd/-  
**Niranjana Chintam**  
Chairman & CFO  
DIN: 01658591

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

Date : 30-05-2024  
Place : Hyderabad

Sd/-  
**Rahul Jain**  
Company Secretary  
M No. A62949





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